

## 1. Transition to Indian Accounting Standards ("Ind AS")

The Company has adopted Ind AS notified under section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 and the effective date of such transition is April 01, 2017. Ind AS are new and complex accounting standards which require considerable judgment and interpretation in its implementation. Further, Ind AS 101 ("First-time Adoption of Indian Accounting Standards") allows two categories of exceptions to the first-time adopters which mainly includes prohibition to retrospective application of certain requirements of Ind AS and exemption from some requirements of Ind AS. We consider this transition and the required disclosure to be a key audit matter because new accounting policies have been developed by the Company to comply with these standards and judgment. Note 6 "Significant Accounting Policies", Note 55 First-time adoption of Ind AS, Note 53 "Fair value measurement" and Note 54 "Risk management" to the Standalone Ind AS Financial Statements provide detailed information on the significant policies, critical judgment and estimation along with details of exemptions applied from certain requirements under Ind AS based on which these Standalone Financial Statements are prepared.

Principal Audit Procedures:

We have performed the following audit procedures in order to obtain sufficient audit evidence:

- Assessed the Company's process to identify the impact of adoption and transition to the new accounting standards.
- Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of Standalone Financial Statements;
- Reviewed the exemptions availed by the Company from certain requirements under Ind AS;
- Obtained an understanding of the governance over the determination of key judgments;
- Evaluated and tested the key assumptions and judgments adopted by management;
- Assessed the disclosures made against the relevant Ind AS; and
- Determined the appropriateness of the methodologies and models used along with the reasonability of the outputs.

## 2. Impairment loss allowance of loans and advances

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

Principal Audit Procedures:

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

We also assessed whether the impairment methodology used by the company is in line with Ind AS 109 "Financial instruments" requirements. Particularly we assessed the approach of the Company regarding definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.



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

- We tested the reliability of key data inputs and related management controls;
- We checked the stage classification as at the balance sheet date as per definition of default of the company;
- We validated the ECL model and calculation by involving our Information Technology Expert;
- We have also calculated the ECL provision manually for a selected sample; and
- We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range.

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

#### Other Information

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

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare



circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

The comparative financial information of the Company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2017 included in these Standalone Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us in our report for the year ended March 31, 2018 dated April 27, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated April 27, 2017 respectively expressed an unmodified opinion on those Standalone Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
  - e. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

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



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

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer Note 50 on Contingent Liabilities to the Standalone Financial Statements;

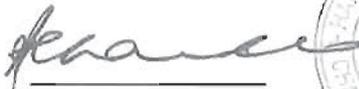
(ii) The Company did not have any material foreseeable losses in long term contracts including derivative contracts during the year ended March 31, 2019;

(iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund (IEPF) by the company. As regards unpaid dividend amount of Rs. 27,778/- transferred subsequently to IEPF, reference is invited to Note 27 to the Standalone Financial Statements.

For Haribhakti & Co. LLP

Chartered Accountants

Firm Registration Number: 103523W/W100048



Sumant Sakhardande

Partner

Membership Number: 034828

Place: Mumbai

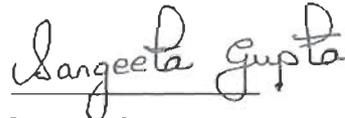
Date: May 08, 2019



For Pijush Gupta & Co.

Chartered Accountants

Firm Registration Number: 309015E



Sangeeta Gupta

Partner

Membership Number: 064225

Place: Mumbai

Date: May 08, 2019



#### ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shriram Transport Finance Company Limited on the standalone financial statements for the year ended March 31, 2019]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and based on the examination of the registered sale deed/transfer deed and other relevant records evidencing title / possession provided to us, we report that, the title deeds of all the immovable properties comprising of land and buildings which are freehold other than self constructed assets included in Property, Plant and Equipment, are held in the name of the Company as at the balance sheet date.
- (ii) Company business does not involve any inventory and accordingly the requirements under paragraph 3(ii) of the order are not applicable to the company and hence not commented upon.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, Guarantees and securities, the Company has complied with the provisions of section 185 and 186(1) of the Act. Further, the provisions of section 186 {except for sec 186(1)} the Act are not applicable to the Company as it is engaged in the business of financing.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed there under with regard to the acceptance of deposits. Further, as informed, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and any other material statutory dues applicable to it. As informed, provision of Sales Tax, custom duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, provision for sales tax, custom duty and excise duty are not applicable to the company.



(c) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs. (in lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 (Service tax)	Service tax on hire purchase and lease transaction	741.62	F.Y. 2003-04 to 2009-10	CESTAT (Custom, Excise and Service tax appellate tribunal)
Finance Act, 1994 (Service tax)	Service tax on Securitization collection commission income	19775.35	F.Y. 2007-08 to 2014-15	CESTAT (Custom, Excise and Service tax appellate tribunal)
Finance Act, 1994 (Service tax)	Interest on Input Tax Credit reversal on CBLO income	9.45*	F.Y. 2010-11	Commissioner of Central Excise and Customs (Appeals)
Maharashtra Value Added Tax	Value added tax	0.20*	F.Y. 2005-06	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax	Value added tax	0.15*	F.Y. 2006-07	Deputy Commissioner of Sales Tax - Appeals - Mumbai
Maharashtra Value Added Tax	Value added tax	567.82*	F.Y. 2007-08 to 2013-14	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax	Value added tax	80.11*	F.Y. 2014-15	Joint Commissioner of Sales Tax
Maharashtra Value Added Tax	Value added tax	23.73*	F.Y. 2012-13 to 2013-14	Deputy Commissioner of Sales Tax - Appeals - Mumbai
Andhra Pradesh Value Added Tax	Value added tax	348.41*	F.Y. 2005-06 to 2008-09	Andhra Pradesh High court
Andhra Pradesh Value Added Tax	Value added tax	326.81*	F.Y. 2009-10 to 2010-11 and 1st April 2011 to 31st August 2012	Andhra Pradesh High court
Andhra Pradesh Value Added Tax	Value added tax	11.96*	F.Y. 2010-11 to 2012-13	Andhra Pradesh High court
Rajasthan Value Added Tax	Value added tax	116.37*	F.Y. 2006-07 to 2011-12	Rajasthan High Court



Rajasthan Value Added Tax	Value added tax	159.48*	F.Y. 2012-13 to 2015-16 and 1st April, 2016 to 4th November 2016	Rajasthan Tax Tribunal
Odisha Value Added Tax	Value added tax	9.04*	F.Y. 2008-09 to 2012-13	Odisha Tax Tribunal
Karnataka Value Added Tax	Value added tax	806.77*	F.Y. 2010-11 to 2016-17	Karnataka High court
Income Tax Act, 1961	Income Tax demands	2753.98	A.Y. 2016-17	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	630.89	A.Y. 2014-15	Madras High Court
Income Tax Act, 1961	Income Tax demands	179.58	A.Y. 2014-15	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	502.12	A.Y. 2013-14	Assessing Officer
Income Tax Act, 1961	Income Tax demands	102.5	A.Y. 2013-14	High Court
Income Tax Act, 1961	Income Tax demands	527.48	A.Y. 2012-13	Assessing Officer
Income Tax Act, 1961	Income Tax demands	53.12	A.Y. 2012-13	Assessing Officer
Income Tax Act, 1961	Income Tax demands	999.96	A.Y. 2011-12	Assessing Officer
Income Tax Act, 1961	Income Tax demands	6.46	A.Y. 2011-12	Madras High Court
Income Tax Act, 1961	Income Tax demands	920.86	A.Y. 2010-11	Assessing Officer
Income Tax Act, 1961	Income Tax demands	1026.06	A.Y. 2009-10	Madras High Court
Income Tax Act, 1961	Income Tax demands	183.62	A.Y. 2008-09	Madras High Court
Income Tax Act, 1961	Income Tax demands	27.28	A.Y. 2007-08	Madras High Court
Income Tax Act, 1961	Income Tax demands	7.92	A.Y. 2006-07	Assessing Officer

\*Net of amount paid under protest.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or dues to debenture holders. There are no loans or borrowings from Government.
- (ix) In our opinion and according to the information and explanations given to us, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand. The Company has not raised money by way of initial public issue offer / further public offer of equity during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed



or reported during the year, nor have we been informed of any such instance by the management.

- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.

For Haribhakti & Co. LLP  
Chartered Accountants  
Firm Registration Number: 103523W/W100048



Sumant Sakhardande  
Partner

Membership Number: 034828

Place: Mumbai

Date: May 08, 2019



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



Sangeeta Gupta  
Partner

Membership Number: 064225

Place: Mumbai

Date: May 08, 2019



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shriram Transport Finance Company Limited on the standalone financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Shriram Transport Finance Company Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.



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

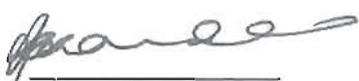
#### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

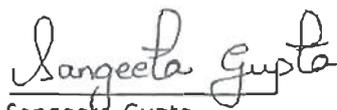
For Haribhakti & Co. LLP  
Chartered Accountants  
Firm Registration Number: 103523W/W100048



Sumant Sakhardande  
Partner  
Membership Number: 034828  
Place: Mumbai  
Date: May 08, 2019



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



Sangeeta Gupta  
Partner  
Membership Number: 064225  
Place: Mumbai  
Date: May 08, 2019



Shriram Transport Finance Company Limited  
Balance Sheet as at March 31, 2019

(Rs. in lacs)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>I ASSETS</b>				
<b>1 Financial assets</b>				
Cash and cash equivalents	10	102,913.54	109,071.33	113,079.87
Bank balance other than above	11	295,233.14	258,384.45	341,036.27
Derivative financial instruments	12	2,171.64	1,054.13	2,641.73
Receivables	13			
(I) Trade receivables		848.44	1,398.10	443.42
(II) Other receivables		1,995.23	348.46	418.39
Loans	14	9,675,148.57	9,074,561.59	7,401,567.61
Investments	15	399,906.08	234,136.10	225,865.76
Other financial assets	16	4,176.47	3,748.33	4,123.24
<b>2 Non-financial assets</b>				
Current tax assets (net)	17	10,657.77	10,426.15	10,864.51
Deferred tax assets (net)		7,570.07	5,218.68	49,576.88
Investment property	18	206.36	209.82	190.75
Property, plant and equipment	19	14,345.82	11,821.76	8,217.04
Other intangible assets	20	196.56	173.78	160.57
Other non-financial assets	21	13,878.44	13,952.01	12,933.60
<b>Total assets</b>		<b>10,529,248.13</b>	<b>9,724,504.69</b>	<b>8,171,119.64</b>
<b>II LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1 Financial liabilities</b>				
Derivative financial instruments	12	8,342.19	468.26	1,099.40
Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	22	20,362.58	21,976.95	13,443.91
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
Debt securities	23	3,418,175.01	3,243,261.27	2,136,124.76
Borrowings (other than debt securities)	24	3,718,929.88	3,610,854.45	3,447,829.36
Deposits	25	1,034,146.68	859,774.86	906,554.36
Subordinated liabilities	26	620,188.10	499,194.11	389,313.60
Other financial liabilities	27	73,129.47	65,067.78	70,882.87
<b>2 Non-financial liabilities</b>				
Current tax liabilities (net)	28	10,296.73	21,650.51	18,911.89
Provisions	29	13,327.01	12,733.43	11,942.98
Other non-financial liabilities	30	28,722.30	31,974.81	33,599.86
<b>Total liabilities</b>		<b>8,945,619.95</b>	<b>8,366,956.43</b>	<b>7,029,702.99</b>
<b>3 Equity</b>				
Equity share capital	31	22,690.67	22,690.67	22,690.67
Other equity	32	1,560,937.51	1,334,857.59	1,118,725.98
<b>Total equity</b>		<b>1,583,628.18</b>	<b>1,357,548.26</b>	<b>1,141,416.65</b>
<b>Total liabilities and equity</b>		<b>10,529,248.13</b>	<b>9,724,504.69</b>	<b>8,171,119.64</b>

See accompanying notes forming part of the financial statements.  
As per our report of even date

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

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

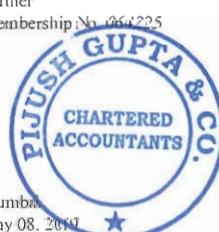
For and on behalf of the Board of Directors of  
Shriram Transport Finance Company Limited

  
Sumant Sakhardande  
Partner  
Membership No. 034828



Mumbai  
May 08, 2019

  
Sarjoeta Gupta  
Partner  
Membership No. 064225



Mumbai  
May 08, 2019

  
S. Lakshminarayanan  
Chairman  
DIN: 02808698

  
Unesh Revankar  
Managing Director & CEO  
DIN: 00141189

  
Parag Sharma  
Executive Director & CFO

Mumbai  
May 08, 2019

  
Vivek M. Achwal  
Company Secretary

Mumbai  
May 08, 2019



Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue from operations</b>			
(i) Interest income	33	1,538,427.83	1,319,353.20
(ii) Dividend income		498.75	1,200.00
(iii) Rental income		21.86	20.90
(iv) Fee and commission income	34	7,130.97	7,690.87
(v) Net gain on fair value changes	35	-	-
(vi) Other operating income	36	6,164.94	1,601.67
<b>(I) Total Revenue from operations</b>		<b>1,552,244.35</b>	<b>1,329,866.64</b>
(II) Other income	37	2,325.77	6,297.56
<b>(III) Total Income (I + II)</b>		<b>1,554,570.12</b>	<b>1,336,164.20</b>
<b>Expenses</b>			
(i) Finance cost	38	751,125.94	636,875.38
(ii) Fee and commission expense	39	6,218.96	6,445.38
(iii) Net loss on fair value changes	35	258.47	1,749.42
(iv) Impairment of financial instruments	40	238,226.19	172,231.88
(v) Employee benefits expenses	41	88,305.12	71,317.20
(vi) Depreciation, amortisation and impairment	42	4,297.27	3,613.40
(vii) Other expenses	43	88,310.67	77,725.86
<b>(IV) Total Expenses</b>		<b>1,176,742.62</b>	<b>969,958.52</b>
<b>(V) Profit/(loss) before exceptional items and tax (III - IV)</b>		<b>377,827.50</b>	<b>366,205.68</b>
(VI) Exceptional items		-	13,974.55
<b>(VII) Profit/(loss) before tax (V + VI)</b>		<b>377,827.50</b>	<b>380,180.23</b>
(VIII) Tax Expense:			
(1) Current tax		134,637.53	88,826.31
(2) Deferred tax		(2,226.96)	44,427.44
(3) Tax adjustment for earlier years		(10,981.74)	872.46
<b>(IX) Profit/(loss) for the period from continuing operations (VII - VIII)</b>		<b>256,398.67</b>	<b>246,054.02</b>
<b>(X) Profit/(loss) for the year</b>		<b>256,398.67</b>	<b>246,054.02</b>
(XI) <b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(356.07)	(198.17)
(ii) Income tax relating to items that will not be reclassified to profit or loss		124.43	69.25
<b>Subtotal (A)</b>		<b>(231.64)</b>	<b>(128.92)</b>
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (A + B)</b>		<b>(231.64)</b>	<b>(128.92)</b>
<b>(XII) Total Comprehensive Income for the year (X + XI)</b>		<b>256,167.03</b>	<b>245,925.10</b>
(XIII) <b>Earnings per equity share</b>			
Basic (Rs.)		113.01	108.45
Diluted (Rs.)		113.01	108.45

See accompanying notes forming part of the financial statements.

As per our report of even date

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

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

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

Sumant Sakhardande  
Partner  
Membership No. 034828

Sangeeta Gupta  
Partner  
Membership No. 064225

S. Lakshminarayanan  
Chairman  
DIN: 02808698

Jaresh Revankar  
Managing Director & CEO  
DIN: 00141189

Mumbai  
May 08, 2019

Mumbai  
May 08, 2019

Mumbai  
May 08, 2019

Mumbai  
May 08, 2019



Parag Sharma  
Executive Director & CFO

Vivek M. Achwal  
Company Secretary



Shriram Transport Finance Company Limited  
Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

Particulars	Number of shares	(Rs. in lacs)
As at April 01, 2017	226,882,736	22,690.67
Changes in Equity share capital during the year	-	-
As at March 31, 2018	226,882,736	22,690.67
Changes in Equity share capital during the year	-	-
As at March 31, 2019	226,882,736	22,690.67

B. Other equity

Particulars	Reserves and Surplus							Other comprehensive income-retirement benefits	Total
	Statutory reserve	Capital reserve	Securities premium account	Debt redemption reserve	Capital redemption reserve	General reserve	Retained earnings		
Balance as at April 01, 2017	234,055.44	2,761.83	175,481.06	62,889.61	5,388.35	115,253.63	523,027.40	(131.34)	1,118,725.98
Profit for the year	-	-	-	-	-	-	246,054.02	-	246,054.02
Other comprehensive income for the year	-	-	-	-	-	-	-	(128.92)	(128.92)
Transferred to/from	31,400.00	-	-	(41,230.76)	-	66,137.31	(56,306.55)	-	-
Total comprehensive income for the year	31,400.00	-	-	(41,230.76)	-	66,137.31	189,747.47	(128.92)	245,925.10
Dividends (interim and final)	-	-	-	-	-	-	(24,957.10)	-	(24,957.10)
Tax on dividend (interim and final)	-	-	-	-	-	-	(4,836.39)	-	(4,836.39)
Balance as at March 31, 2018	265,455.44	2,761.83	175,481.06	21,658.85	5,388.35	181,390.94	682,981.38	(260.26)	1,334,857.59
Balance as at April 01, 2018	265,455.44	2,761.83	175,481.06	21,658.85	5,388.35	181,390.94	682,981.38	(260.26)	1,334,857.59
Profit for the year	-	-	-	-	-	-	256,398.67	-	256,398.67
Other comprehensive income for the year	-	-	-	-	-	-	-	(231.64)	(231.64)
Transferred to/from	51,400.00	-	-	15,802.81	-	35,044.44	(102,247.25)	-	-
Total comprehensive income for the year	51,400.00	-	-	15,802.81	-	35,044.44	154,151.42	(231.64)	256,167.03
Dividends (interim and final)	-	-	-	-	-	-	(24,957.10)	-	(24,957.10)
Tax on dividend (interim and final)	-	-	-	-	-	-	(5,130.01)	-	(5,130.01)
Balance as at March 31, 2019	316,855.44	2,761.83	175,481.06	37,461.66	5,388.35	216,435.38	807,045.69	(491.90)	1,560,937.51

See accompanying notes forming part of the financial statements.  
As per our report of even date

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

*Sumanth Sakhardande*  
Sumanth Sakhardande  
Partner  
Membership No. 034828



Mumbai  
May 08, 2019

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

*Sangeeta Gupta*  
Sangeeta Gupta  
Partner  
Membership No. 309015E



Mumbai  
May 08, 2019

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

*S. Lakshminarayanan*  
S. Lakshminarayanan  
Chairman  
DIN: 02808698

*Parag Sharma*  
Parag Sharma  
Executive Director & CFO

Mumbai  
May 08, 2019



*Ujjwal Revankar*  
Ujjwal Revankar  
Managing Director & CEO  
DIN: 00141189

*Vivek M. Achwal*  
Vivek M. Achwal  
Company Secretary

Mumbai  
May 08, 2019

Shriram Transport Finance Company Limited  
Cash Flow Statement for the year ended March 31, 2019

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash flow from Operating activities</b>		
Profit before tax	377,827.50	380,180.23
Depreciation, amortisation and impairment	4,297.27	3,613.40
Profit arising on the sale of shares in subsidiary	-	(13,974.55)
Interest on income tax refund	(665.55)	(5,796.67)
Loss/(profit) on sale of fixed assets (net)	51.35	18.16
Impairment on loans	245,051.64	171,627.93
Impairment on investments	(6.39)	(0.63)
Impairment on undrawn loan commitment	671.23	485.37
Impairment on other assets	(7,490.29)	119.21
Net (gain)/loss on fair value changes on investment	(51.46)	746.20
Net (gain)/loss on fair value changes on derivatives	309.93	1,003.22
Dividend income from subsidiary	-	(1,200.00)
<b>Operating profit before working capital changes</b>	<b>619,995.23</b>	<b>536,821.87</b>
<b>Movements in Working capital:</b>		
Decrease/(increase) in loans	(845,638.64)	(1,844,621.93)
(Increase)/decrease in investments	(165,712.13)	(10,678.95)
Decrease/(increase) in receivables	(1,097.10)	(884.75)
Decrease/(increase) in bank deposits	(36,848.69)	82,651.82
Decrease/(increase) in other financial assets	7,062.15	255.70
Decrease/(increase) in other non-financial assets	143.35	(956.56)
Increase/(decrease) in interest accrued on borrowings	(30,457.56)	1,735.98
Increase/(decrease) in payables	(1,614.37)	8,533.04
Increase/(decrease) in other financial liabilities	8,715.17	(6,623.17)
Increase/(decrease) in non-financial liabilities	(3,252.51)	(1,625.05)
Increase/(decrease) other provision	231.83	5,903.58
<b>Cash generated from operations</b>	<b>(448,473.27)</b>	<b>(1,229,488.42)</b>
Direct taxes paid (net of refunds)	(135,241.19)	(86,521.78)
<b>Net cash flows from/(used in) operating activities (A)</b>	<b>(583,714.46)</b>	<b>(1,316,010.20)</b>
<b>B. Cash flow from Investing activities</b>		
Proceeds from sale of subsidiary	-	15,637.60
Purchase of property, plant and equipment and intangible assets	(7,797.05)	(6,594.60)
Proceeds from sale of property, plant and equipment and intangible assets	181.79	72.28
Dividend received from subsidiary	-	1,200.00
<b>Net cash flows from/(used in) investing activities (B)</b>	<b>(7,615.26)</b>	<b>10,315.28</b>
<b>C. Cash flow from Financing activities</b>		
Derivatives	6,446.49	(46.76)
Amount received from deposits received (including ICDs)	500,609.67	338,206.09
Repayment of deposits	(331,518.70)	(375,681.97)
Amount received from debt securities	905,752.94	1,089,340.00
Repayment of debt securities	(625,811.98)	(444,544.18)
Amount received from subordinated debts	236,000.00	142,900.00
Repayment of subordinated debts	(86,455.69)	(36,448.17)
Amount received from borrowings other than debt securities	5,682,488.31	5,101,615.72
Repayment of borrowings other than debt securities	(5,672,252.00)	(4,483,860.86)
Dividend paid	(24,957.10)	(24,957.10)
Tax on dividend	(5,130.01)	(4,836.39)
<b>Net cash flows from financing activities (C)</b>	<b>585,171.93</b>	<b>1,301,686.38</b>
Net increase in cash and cash equivalents (A+B+C)	(6,157.79)	(4,008.54)
Cash and cash equivalents at the beginning	109,071.33	113,079.87
<b>Cash and cash equivalents at the end of the year</b>	<b>102,913.54</b>	<b>109,071.33</b>
<b>Net cash provided by (used in) operating activities includes</b>		
Interest received	1,484,290.78	1,256,452.22
Interest paid	581,302.70	519,995.69
Dividend received	498.75	-



Shriram Transport Finance Company Limited  
Cash Flow Statement for the year ended March 31, 2019

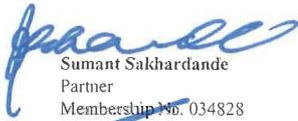
Components of cash and cash equivalents		(Rs. in lacs)	
Cash and cash equivalents at the end of the year	As at March 31, 2019	As at March 31, 2018	
i) Cash on hand	12,347.27	7,996.25	
ii) Cheques on hand	1,817.73	2,542.76	
iii) Balances with banks (of the nature of cash and cash equivalents)	76,166.90	92,946.60	
iv) Bank deposit with original maturity less than three months	12,581.64	5,585.72	
<b>Total</b>	<b>102,913.54</b>	<b>109,071.33</b>	

See accompanying notes forming part of the financial statements.  
As per our report of even date

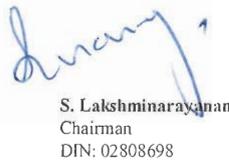
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W/W100048

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

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

  
Sumant Sakhardande  
Partner  
Membership No. 034828

  
Sangeeta Gupta  
Partner  
Membership No. 064225

  
S. Lakshminarayanan  
Chairman  
DIN: 02808698

  
Umesh Revankar  
Managing Director & CEO  
DIN: 00141189

Mumbai  
May 08, 2019



Mumbai  
May 08, 2019



  
Parag Sharma  
Executive Director & CFO  
Mumbai  
May 08, 2019

  
Vivek M. Achwal  
Company Secretary  
Mumbai  
May 08, 2019



**Shriram Transport Finance Company Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

**1. Corporate Information**

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

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

The Company is associate of Shriram Capital Limited.

The registered office of the Company is Mookambika Complex, 3rd floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004. The principal place of business is Wockhardt Towers, West Wing, Level-3, C-2, G-Block, Bandra -Kurla Complex, Bandra (East), Mumbai, Maharashtra- 400 051.

The financial statements of the Company for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on May 08, 2019.

**2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

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

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

**3. Presentation of financial statement**

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

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



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

#### **4. Statement of compliance**

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

#### **5. New Accounting Standards issued but not effective**

The Standards that are issued, but not yet effective, are disclosed below. The Company intends to adopt these standards when they became effective:

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 on Leases. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, the adoption of this standard is not likely to have a material impact in its Financial Statements.

#### **6. Significant accounting policies**

##### **6.1 Financial instruments**

###### **(i) Classification of financial instruments**

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

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

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

###### Business model assessment

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

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



**Shriram Transport Finance Company Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

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

*The Solely Payments of Principal and Interest (SPPI) test*

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

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

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

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

**(ii) Financial assets measured at amortised cost**

*Debt instruments*

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

Debt instruments are measured at amortised cost where they have:

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

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



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

*Debt instruments*

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

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

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

*Equity instruments*

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

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

**(iv) Items at fair value through profit or loss**

Items at fair value through profit or loss comprise:

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

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

*Financial instruments held for trading*

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



**Shriram Transport Finance Company Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

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

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

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

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

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

**(v) Derivatives**

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

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

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

**(vi) Embedded Derivatives**

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

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



**(vii) Debt securities and other borrowed funds**

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

**(viii) Financial guarantees**

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

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

**(ix) Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2017-18 and until the year ended March 31, 2019.

**(x) Recognition and Derecognition of financial assets and liabilities**

Recognition:

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

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

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

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.



*Derecognition of financial assets other than due to substantial modification*

**a) Financial assets:**

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

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



**b) Financial liabilities**

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

**(xi) Impairment of financial assets**

Overview of the ECL principles

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss as outlined in Note 5.6.2).

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Business Loans, Secured loans for new vehicles, Secured loans for used vehicles and Equipment Finance Loans and large borrowers with exposure over Rs. 1 crore.

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

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

**Stage 1**

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

**Stage 2**

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



### **Stage 3**

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

### **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.

### **Financial guarantee contracts**

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor.

### **ECL on Debt instruments measured at fair value through OCI**

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

### **The mechanics of ECL:**

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

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

**Probability of Default (PD)** - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 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 market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

**Collateral Valuation**

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where 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. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

**(xii) Write-offs**

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

**(xiii) Determination of fair value**

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 5.1(iii) to 5.1(vi)) at fair value on each balance sheet date.

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

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



**Shriram Transport Finance Company Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition.

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

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the



difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

## **6.2 Revenue from operations**

### **(i) Interest Income**

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

The EIR in case of a financial asset is computed

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

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

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

### **(ii) Dividend Income**

Dividend income is recognised

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

### **(iii) Rental Income**

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

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

### **(iv) Fees & Commission Income**

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

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

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



**Shriram Transport Finance Company Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

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 on Fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 35), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed under “Expenses” in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

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

**6.3 Expenses**

**(i) Finance costs**

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

The EIR in case of a financial liability is computed

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

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

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

**(ii) Retirement and other employee benefits**

*Short term employee benefit*

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered



**Shriram Transport Finance Company Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

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 recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

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

The Company fully contributes all ascertained liabilities to The Trustees - Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

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



**Shriram Transport Finance Company Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

*Other long-term employee benefits*

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

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

**(iii) Rent Expense:**

*Identification of Lease:*

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to April 01, 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

*Recognition of lease payments:*

Rent Expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

**(iv) Other income and expenses**

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

**(v) Impairment of non-financial assets**

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

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

**(vi) Taxes**

*Current Tax*

Current tax assets and liabilities 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.



**Shriram Transport Finance Company Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

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

*Deferred tax*

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

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

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

*Minimum Alternate Tax (MAT)*

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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

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

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

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

**6.4 Foreign currency translation**

**(i) Functional and presentational currency**

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



**(ii) Transactions and balances**

*Initial recognition:*

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

*Conversion:*

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

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

**6.5 Cash and cash equivalents**

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

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

**6.6 Property, plant and equipment**

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

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

**Depreciation**

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



**Shriram Transport Finance Company Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

The estimated useful lives are as follows:

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

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

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



**Shriram Transport Finance Company Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

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

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

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

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

#### **6.8 Investment Property**

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs. For transition to Ind AS, the company has elected to adopt as deemed cost, the carrying value of investment property as per Indian GAAP less accumulated depreciation and cumulative impairment, (if any) as on the transition date of April 01, 2017.

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

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

#### **6.9 Provisions**

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

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



### 6.10 Contingent Liabilities

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

### 6.11 Earning Per Share

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

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

## 7. Significant accounting judgements, estimates and assumptions

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

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

### 7.1 Business Model Assessment

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



#### 7.2 Defined employee benefit assets and liabilities

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

#### 7.3 Fair value measurement:

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

#### 7.4 Impairment of loans portfolio

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

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

The impairment loss on loans and advances is disclosed in more detail in *Note 6.1(xi) Overview of ECL principles*.

#### 7.5 Contingent liabilities and provisions other than impairment on loan portfolio

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

#### 7.6 Effective Interest Rate (EIR) method

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

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



#### **7.7 Other estimates:**

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

#### **8. First time adoption**

These financial statements, for the year ended March 31, 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

#### **Exemptions applied**

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

##### **8.1 Investment in Subsidiaries, associates**

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary at the Previous GAAP carrying amount as its deemed cost on the transition date.

##### **8.2 Lease arrangements**

Appendix C to Ind AS 17 requires entity to assess whether contract or arrangement contains a lease. In accordance with same, this assessment should be carried out at the inception of arrangement. However, the company has used exemption under Ind AS 101 and assessed all arrangements based on conditions in place as on date of transition.

##### **8.3 Property, plant, equipment & intangible assets**

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

##### **8.4 Business Combination**

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 01, 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.



### **8.5 Derecognition of previously recognised financial instruments**

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of “derecognition of financial assets and financial liabilities” wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event). The Company has opted not to re-evaluate financial assets derecognised in the past. However, for loans and advances securitised, the Company has applied the derecognition requirements retrospectively.

### **8.6 Fair value measurement of financial assets or financial liabilities at initial recognition**

Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the ‘day one’ gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the ‘day one’ gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Company has opted for this exemption to recognise the ‘day one’ gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

### **8.7 Investment Property:**

For transition to Ind AS, the company has elected to adopt as deemed cost, the carrying value of investment property as per Indian GAAP less accumulated depreciation and cumulative impairment (if any) as on the transition date of April 01, 2017.

## **9. Mandatory exceptions**

Following mandatory exceptions are applicable to the Company:

### **9.1 Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

### **9.2 Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Note 10 - Cash and cash equivalents

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	12,347.27	7,996.25	7,865.26
Balances with banks (of the nature of cash and cash equivalents)	76,166.90	92,946.60	102,039.50
Cheques on hand	1,817.73	2,542.76	3,175.11
Bank deposit with original maturity less than three months	12,581.64	5,585.72	-
<b>Total</b>	<b>102,913.54</b>	<b>109,071.33</b>	<b>113,079.87</b>

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

Note 11 - Bank balance other than above

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with banks			
Unclaimed dividend accounts	1,068.96	1,310.11	1,083.21
Bank deposit with original maturity for more than three months	20,036.61	37,425.50	152,549.62
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments. *	274,127.57	219,648.84	187,403.44
<b>Total</b>	<b>295,233.14</b>	<b>258,384.45</b>	<b>341,036.27</b>

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

\*Includes deposits Rs. 273,821.29 lacs (March 31, 2018: Rs. 219,040.91 lacs; April 01, 2017: Rs. 186,800.93 lacs) as margin for guarantees and Rs. 306.29 lacs (March 31, 2018: Rs. 607.93 lacs; April 01, 2017: Rs. 602.51 lacs) pledged as lien against loans taken.



**Shriram Transport Finance Company Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

**Note 12 - 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, but the Company has elected not to apply hedge accounting requirements.

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

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017			(Rs. in lacs)	
	Notional Amounts	Fair Value Assets	Notional Amounts	Fair Value Liabilities	Notional Amounts	Fair Value Liabilities	Notional Amounts	Fair Value Assets	Notional Amounts		Fair Value Liabilities
<b>(i) Currency derivatives:</b>											
-Spots and forwards	37,486.25	122.32	-	-	47,082.17	742.42	-	2.23	6,390.42	163.06	
-Currency futures	-	-	-	-	-	-	-	-	-	-	
-Currency swaps	240,233.00	1,866.55	284,990.00	8,304.80	-	-	-	-	-	-	
-Options purchased	-	-	-	-	-	-	-	-	-	-	
-Options sold (written)	-	-	-	-	-	-	-	-	-	-	
-Others	-	-	-	-	-	-	-	-	-	-	
<b>Sub total (i)</b>	<b>277,719.25</b>	<b>1,988.87</b>	<b>284,990.00</b>	<b>8,304.80</b>	<b>47,082.17</b>	<b>742.42</b>	<b>-</b>	<b>2.23</b>	<b>6,390.42</b>	<b>163.06</b>	
<b>(ii) Interest rate derivatives:</b>											
-Forward rate agreements and interest rate swaps	4,000.00	182.77	1,500.00	37.39	39,900.00	311.71	10,500.00	468.26	53,385.00	2,639.50	936.34
-Options purchased	-	-	-	-	-	-	-	-	-	-	
-Options sold (written)	-	-	-	-	-	-	-	-	-	-	
-Futures	-	-	-	-	-	-	-	-	-	-	
-Others	-	-	-	-	-	-	-	-	-	-	
<b>Sub total (ii)</b>	<b>4,000.00</b>	<b>182.77</b>	<b>1,500.00</b>	<b>37.39</b>	<b>39,900.00</b>	<b>311.71</b>	<b>10,500.00</b>	<b>468.26</b>	<b>53,385.00</b>	<b>2,639.50</b>	<b>936.34</b>
<b>(iii) Credit derivatives:</b>											
(iv) Equity linked derivatives:	-	-	-	-	-	-	-	-	-	-	
(v) Other derivatives:	-	-	-	-	-	-	-	-	-	-	
<b>Total derivative financial instruments (i+ii+iii+iv+v)</b>	<b>281,719.25</b>	<b>2,171.64</b>	<b>286,490.00</b>	<b>8,342.19</b>	<b>86,982.17</b>	<b>1,054.13</b>	<b>10,500.00</b>	<b>468.26</b>	<b>66,975.72</b>	<b>2,641.73</b>	<b>1,099.40</b>



**Shriram Transport Finance Company Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

**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 has not designated any derivatives as hedging instruments.

**Derivatives not designated as hedging instruments**

The Company uses interest rate swaps to manage its interest rate risk arising from INR denominated borrowings and foreign exchange forward contracts to manage its foreign currency risk arising from borrowings in foreign currencies. The interest rate swaps a hedging relationship and are entered into for periods consistent with exposure of the underlying transactions, generally from 6 to 36 months.

Details of the derivative instruments are given below:

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Notional amounts	Derivative assets	Notional amounts	Derivative liabilities	Notional amounts	Derivative assets	Notional amounts	Derivative liabilities	Notional amounts	Derivative assets	Notional amounts	Derivative liabilities
Interest rate risk:												
Interest rate swaps	4,000.00	182.77	1,500.00	37.39	39,900.00	311.71	10,500.00	468.26	53,385.00	2,639.50	18,500.00	936.34
Futures	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency risk:												
Currency swaps	240,233.00	1,866.55	284,990.00	8,304.80	-	-	-	-	-	-	-	-
Currency futures	-	-	-	-	-	-	-	-	-	-	-	-
Forward contracts	37,486.25	122.32	-	-	47,082.17	2,423.80	-	-	13,590.72	2.23	6,390.42	163.07
<b>Total</b>	<b>281,719.25</b>	<b>2,171.64</b>	<b>286,490.00</b>	<b>8,342.19</b>	<b>86,982.17</b>	<b>2,735.51</b>	<b>10,500.00</b>	<b>468.26</b>	<b>66,975.72</b>	<b>2,641.73</b>	<b>24,890.42</b>	<b>1,099.41</b>

(Rs. in lacs)



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Note 13 - Receivables

(I) Trade receivables		(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Trade receivables considered good-secured	-	-	-	
Trade receivables considered good-unsecured	848.44	1,398.10	443.42	
Trade receivables which have significant increase in credit risk	-	-	-	
Trade receivables -credit impaired	-	-	-	
<b>Total</b>	<b>848.44</b>	<b>1,398.10</b>	<b>443.42</b>	
Allowances for impairment loss	-	-	-	
<b>Total</b>	<b>848.44</b>	<b>1,398.10</b>	<b>443.42</b>	

(II) Other receivables		(Rs. in lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Other receivables considered good-secured	-	-	-	
Other receivables considered good-unsecured	1,995.23	348.46	418.39	
Other receivables which have significant increase in credit risk	-	-	-	
Other receivables - credit impaired	157.99	191.84	274.39	
<b>Total</b>	<b>2,153.22</b>	<b>540.30</b>	<b>692.78</b>	
Allowances for impairment loss	157.99	191.84	274.39	
<b>Total</b>	<b>1,995.23</b>	<b>348.46</b>	<b>418.39</b>	

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 days.



**Shriram Transport Finance Company Limited**  
Notes forming part of the financial statements for the year ended March 31, 2019

Trade receivables days past due		(Rs. in lacs)					
ECL rate	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2019	0% 798.02	0% 6.77	0% 43.17	0% 0.48	0% -	0% -	848.44
	-	-	-	-	-	-	-
March 31, 2018	798.02 713.59	6.77 434.63	43.17 114.09	0.48 135.79	-	-	848.44 1,398.10
	-	-	-	-	-	-	-
April 01, 2017	713.59 442.76	434.63 0.66	114.09 -	135.79 -	-	-	1,398.10 443.42
	-	-	-	-	-	-	-
	442.76	0.66	-	-	-	-	443.42

**Reconciliation of impairment allowance on trade receivables: (Rs. in lacs)**

Particulars	Amount
Impairment allowance measured as per simplified approach	-
<b>Impairment allowance as per April 01, 2017</b>	-
Add: Addition during the year	-
(Less): Reduction during the year	-
<b>Impairment allowance as per April 01, 2018</b>	-
Add: Addition during the year	-
(Less): Reduction during the year	-
<b>Impairment allowance as per March 31, 2019</b>	-

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.



**Shriram Transport Finance Company Limited**  
Notes forming part of the financial statements for the year ended March 31, 2019

Other receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
<b>ECL rate</b>		<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>	
March 31, 2019	Estimated total gross carrying amount at default ECL-Simplified approach <b>Net carrying amount</b>	24.21 - <b>24.21</b>	1,930.10 - <b>1,930.10</b>	34.48 - <b>34.48</b>	6.44 - <b>6.44</b>	8.41 8.41 -	149.58 149.58 -	2,153.22 157.99 <b>1,995.23</b>
March 31, 2018	Estimated total gross carrying amount at default ECL-Simplified approach <b>Net carrying amount</b>	23.77 - <b>23.77</b>	272.64 - <b>272.64</b>	47.49 - <b>47.49</b>	4.56 - <b>4.56</b>	- - -	191.84 191.84 -	540.30 191.84 <b>348.46</b>
April 01, 2017	Estimated total gross carrying amount at default ECL-Simplified approach <b>Net carrying amount</b>	- - <b>-</b>	138.31 - <b>138.31</b>	117.38 - <b>117.38</b>	162.70 - <b>162.70</b>	- - -	274.39 274.39 -	692.78 274.39 <b>418.39</b>

(Rs. in lacs)

**Reconciliation of impairment allowance on other receivables: (Rs. in lacs)**

Particulars	Amount
Impairment allowance measured as per simplified approach	
<b>Impairment allowance as per April 01, 2017</b>	<b>274.39</b>
Add: Addition during the year	-
(Less): Reduction during the year	(82.55)
<b>Impairment allowance as per April 01, 2018</b>	<b>191.84</b>
Add: Addition during the year	-
(Less): Reduction during the year	(33.85)
<b>Impairment allowance as per March 31, 2019</b>	<b>157.99</b>



Sauram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Note 14 - Loans

Particulars	As at March 31, 2019					As at March 31, 2018					As at April 01, 2017				
	Amortised Cost	At Fair value		Sub-total	Total	Amortised Cost	At Fair value		Sub-total	Total	Amortised Cost	At Fair value		Sub-total	Total
		Through Other Comprehensive Income	Through profit or loss				Designated at fair value through profit or loss	Through Other Comprehensive Income				Through profit or loss	Designated at fair value through profit or loss		
(A)															
i) Bills purchased and bills discounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Loans repayable on demand	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Term loans	9,944,461.53	-	-	9,944,461.53	9,439,075.44	-	-	9,439,075.44	9,619,840.99	-	-	9,619,840.99	7,784,535.12	-	-
iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Others	286,287.05	-	-	286,287.05	180,765.55	-	-	180,765.55	180,765.55	-	-	180,765.55	138,043.82	-	-
Total (A) - Gross	10,230,748.58	-	-	10,230,748.58	9,619,840.99	-	-	9,619,840.99	9,619,840.99	-	-	9,619,840.99	7,922,578.94	-	-
Less: Impairment loss allowance	555,600.01	-	-	555,600.01	545,279.40	-	-	545,279.40	545,279.40	-	-	545,279.40	521,011.33	-	-
Total (A) - Net	9,675,148.57	-	-	9,675,148.57	9,074,561.59	-	-	9,074,561.59	9,074,561.59	-	-	9,074,561.59	7,401,567.61	-	-
(B)															
i) Secured by tangible assets	9,944,461.53	-	-	9,944,461.53	9,439,075.44	-	-	9,439,075.44	9,439,075.44	-	-	9,439,075.44	7,784,535.12	-	-
ii) Unsecured	286,287.05	-	-	286,287.05	180,765.55	-	-	180,765.55	180,765.55	-	-	180,765.55	138,043.82	-	-
Total (B) - Gross	10,230,748.58	-	-	10,230,748.58	9,619,840.99	-	-	9,619,840.99	9,619,840.99	-	-	9,619,840.99	7,922,578.94	-	-
Less: Impairment loss allowance	555,600.01	-	-	555,600.01	545,279.40	-	-	545,279.40	545,600.01	-	-	545,279.40	521,011.33	-	-
Total (B) - Net	9,675,148.57	-	-	9,675,148.57	9,074,561.59	-	-	9,074,561.59	9,074,561.59	-	-	9,074,561.59	7,401,567.61	-	-
(C)															
i) Public sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail	10,179,037.54	-	-	10,179,037.54	9,580,385.44	-	-	9,580,385.44	9,580,385.44	-	-	9,580,385.44	7,891,980.47	-	-
Corporates	51,711.04	-	-	51,711.04	39,455.55	-	-	39,455.55	39,455.55	-	-	39,455.55	30,598.47	-	-
Total (C) - Gross	10,230,748.58	-	-	10,230,748.58	9,619,840.99	-	-	9,619,840.99	9,619,840.99	-	-	9,619,840.99	7,922,578.94	-	-
Less: Impairment loss allowance	555,600.01	-	-	555,600.01	545,279.40	-	-	545,279.40	545,600.01	-	-	545,279.40	521,011.33	-	-
Total (C) - Net	9,675,148.57	-	-	9,675,148.57	9,074,561.59	-	-	9,074,561.59	9,074,561.59	-	-	9,074,561.59	7,401,567.61	-	-



Note 14 - Loans

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 54.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 54.2.2.6

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017			Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	
Internal rating grade										
Performing	5,283,457.30	-	-	-	5,283,457.30	5,435,475.43	-	-	-	5,435,475.43
High grade	2,126,518.33	-	-	-	2,126,518.33	1,602,779.11	-	-	-	1,602,779.11
Standard grade	-	1,360,729.91	-	-	1,360,729.91	-	1,217,697.33	-	-	1,217,697.33
Sub-standard grade	-	-	-	-	-	-	-	-	-	-
Past due but not impaired	-	598,397.21	-	-	598,397.21	-	468,149.66	-	-	468,149.66
Non-performing	13.44	5.65	861,626.74	-	861,645.83	1,573.38	719.91	893,446.17	-	895,739.46
Total	7,409,989.07	1,959,132.77	861,626.74	-	10,230,748.58	7,039,827.92	1,686,566.90	893,446.17	-	9,619,840.99

(Rs. in lacs)

An analysis of changes in the gross carrying amount as follows:

Particulars	Year ended March 31, 2019				Year ended March 31, 2018				Total
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI	
Gross carrying amount opening balance	7,039,827.92	1,686,566.90	893,446.17	-	5,993,809.01	1,042,801.34	885,968.59	-	7,922,578.94
New assets originated or purchased	4,076,297.26	924,096.98	233,934.45	-	4,351,151.69	824,724.70	221,817.44	-	5,397,693.83
Assets derecognised or repaid (excluding write offs)	(3,230,258.41)	(825,175.68)	(333,256.00)	-	(2,521,371.25)	(638,780.34)	(392,920.30)	-	(3,553,071.89)
Transfers to Stage 1	733,310.65	(629,238.11)	(104,072.54)	-	298,345.46	(218,971.75)	(79,373.71)	-	-
Transfers to Stage 2	(950,629.73)	1,037,479.76	(86,850.03)	-	(774,491.61)	884,926.96	(110,435.35)	-	-
Transfers to Stage 3	(218,645.22)	(211,250.87)	429,896.09	-	(262,834.35)	(188,494.80)	451,329.15	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(39,913.40)	(23,346.21)	(171,471.40)	-	(44,781.03)	(19,639.21)	(82,939.65)	-	(147,359.89)
Amounts written off	-	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	7,409,989.07	1,959,132.77	861,626.74	-	10,230,748.58	1,686,566.90	893,446.17	-	9,619,840.99

(Rs. in lacs)



Reconciliation of ECL balance is given below:

Particulars	Year ended March 31, 2019					Year ended March 31, 2018				
	General approach					General approach				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance	139,304.67	96,536.05	309,438.68	-	545,279.40	135,910.03	63,325.16	321,776.14	-	521,011.33
New assets originated or purchased	192,956.36	66,444.22	94,920.66	-	354,321.24	97,614.79	65,148.58	53,701.71	-	216,465.08
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-	-	-
Transfers to Stage 1	73,199.00	(37,675.00)	(35,524.00)	-	-	42,464.77	(14,167.56)	(28,297.21)	-	-
Transfers to Stage 2	(19,227.00)	48,828.00	(29,601.00)	-	-	(17,702.45)	57,860.15	(40,157.70)	-	-
Transfers to Stage 3	(4,746.00)	(13,855.00)	18,601.00	-	-	(6,038.95)	(13,059.83)	19,098.78	-	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(194,293.29)	(25,385.89)	110,609.56	-	(109,269.62)	(68,162.50)	(42,931.25)	66,256.61	-	(44,837.14)
Unwinding of discount	-	-	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-	-	-
Amounts written off	(39,913.40)	(23,346.21)	(171,471.40)	-	(234,731.01)	(44,781.02)	(19,639.20)	(82,939.65)	-	(147,359.87)
ECL allowance - closing balance	147,280.34	111,346.17	296,973.50	-	555,600.01	139,304.67	96,536.05	309,438.68	-	545,279.40

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 180,216.50 lacs at March 31, 2019 ( March 31, 2018: Rs. 92,754.97 lacs).



Shikram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Particulars	As at March 31, 2019					As at March 31, 2018					As at April 01, 2017					
	At Fair value		Amortised Cost	Sub-total	Others	Total	Amortised Cost	Sub-total	Others	Total	Amortised Cost	At Fair value		Sub-total	Others	Total
	Through Other Comprehensive Income	Through profit or loss										Designated at fair value through profit or loss	Through profit or loss			
(i) Mutual funds	-	32,381.75	-	32,381.75	-	32,381.75	-	322.29	-	322.29	-	294.59	-	294.59	-	394.59
(ii) Government securities	149,514.74	-	-	149,514.74	143,343.52	143,343.52	-	-	143,343.52	143,288.55	-	-	-	143,288.55	-	143,288.55
(iii) Debt securities	5,266.78	-	-	5,266.78	5,266.78	5,266.78	-	-	5,266.78	5,297.55	-	5,297.55	-	5,297.55	-	10,564.33
(iv) Equity instruments	-	357.92	-	357.92	357.92	357.92	-	86.28	86.28	86.28	-	86.29	-	86.29	-	86.29
(v) Subsidiaries (at cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Associates (at cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vii) Pass through certificates (unquoted)	87,780.94	-	-	87,780.94	83,360.85	83,360.85	-	-	83,360.85	68,213.22	-	-	-	68,213.22	-	68,213.22
(viii) Certificates of deposits	-	123,170.68	-	123,170.68	-	-	-	-	-	-	-	-	-	-	-	-
(ix) Others (venture capital fund)	-	96.99	-	96.99	96.99	96.99	-	-	96.99	426.49	-	426.49	-	426.49	-	426.49
<b>Total Gross (A)</b>	<b>242,562.46</b>	<b>156,007.34</b>	<b>-</b>	<b>156,007.34</b>	<b>399,906.76</b>	<b>399,906.76</b>	<b>231,971.15</b>	<b>835.06</b>	<b>1,336.96</b>	<b>234,143.17</b>	<b>216,768.55</b>	<b>6,104.92</b>	<b>-</b>	<b>6,104.92</b>	<b>3,000.00</b>	<b>225,873.47</b>
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	242,562.46	156,007.34	-	156,007.34	399,906.76	399,906.76	231,971.15	835.06	1,336.96	234,143.17	216,768.55	6,104.92	-	6,104.92	3,000.00	225,873.47
<b>Total Gross (B)</b>	<b>242,562.46</b>	<b>156,007.34</b>	<b>-</b>	<b>156,007.34</b>	<b>399,906.76</b>	<b>399,906.76</b>	<b>231,971.15</b>	<b>835.06</b>	<b>1,336.96</b>	<b>234,143.17</b>	<b>216,768.55</b>	<b>6,104.92</b>	<b>-</b>	<b>6,104.92</b>	<b>3,000.00</b>	<b>225,873.47</b>
Less: Allowance for impairment loss (C)	(0.68)	-	-	(0.68)	(0.68)	(0.68)	(7.07)	-	-	(7.07)	-	-	-	-	-	(7.71)
<b>Total - Net D = (A) - (C)</b>	<b>242,561.78</b>	<b>156,007.34</b>	<b>-</b>	<b>156,007.34</b>	<b>399,906.08</b>	<b>399,906.08</b>	<b>231,964.08</b>	<b>835.06</b>	<b>1,336.96</b>	<b>234,136.10</b>	<b>216,760.84</b>	<b>6,104.92</b>	<b>-</b>	<b>6,104.92</b>	<b>3,000.00</b>	<b>225,865.76</b>

More information regarding the valuation methodologies can be found in Note 53.10.1

The Company received dividends of Rs. 498.75 (March 31, 2018: Rs. Nil) from its FVTPL securities, recorded as dividend income.



**Shriram Transport Finance Company Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 54.2

Internal Grade Rating	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017					
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	Performing	399,906.76	-	-	399,906.76	228,876.39	5,266.78	-	234,143.17	220,606.69	5,266.78	-
High grade	-	-	-	-	-	-	-	-	-	-	-	-
Standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Non-performing	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>399,906.76</b>	<b>-</b>	<b>-</b>	<b>399,906.76</b>	<b>228,876.39</b>	<b>5,266.78</b>	<b>-</b>	<b>234,143.17</b>	<b>220,606.69</b>	<b>5,266.78</b>	<b>-</b>	<b>225,873.47</b>

(Rs. in lacs)

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

Particulars	Year ended March 31, 2019			Year ended March 31, 2018				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Gross carrying amount – opening balance	228,876.39	5,266.78	-	234,143.17	220,606.69	5,266.78	-
New assets originated or purchased	2,376,516.42	-	-	2,376,516.42	74,258.97	-	-	74,258.97
Assets derecognised or matured (excluding write-offs)	(2,210,804.28)	-	-	(2,210,804.28)	(65,243.07)	-	-	(65,243.07)
Change in fair value Transfers to Stage 1	51.46	-	-	51.46	(746.20)	-	-	(746.20)
	5,266.78	(5,266.78)	-	-	-	-	-	-
<b>Closing balance</b>	<b>399,906.76</b>	<b>-</b>	<b>-</b>	<b>399,906.76</b>	<b>228,876.39</b>	<b>5,266.78</b>	<b>-</b>	<b>234,143.17</b>

(Rs. in lacs)



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Reconciliation of ECL balance is given below: (Rs. in laacs)

Particulars	Year ended March 31, 2019				Year ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	-	7.07	-	7.07	-	7.71	-	7.71
New assets originated or purchased	-	-	-	-	-	-	-	-
Transfers to Stage 1	7.07	(7.07)	-	-	-	-	-	-
Unwinding of discount (recognised in interest income)	(0.34)	-	-	(0.34)	-	(0.03)	-	(0.03)
Changes to models and inputs used for ECL calculations	(6.05)	-	-	(6.05)	-	(0.61)	-	(0.61)
<b>Closing balance in ECL</b>	<b>0.68</b>	<b>-</b>	<b>-</b>	<b>0.68</b>	<b>-</b>	<b>7.07</b>	<b>-</b>	<b>7.07</b>



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Note 16 - Other financial assets (Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	4,176.47	3,144.15	2,907.09
Financial guarantee receivable	-	604.18	1,216.15
<b>Total</b>	<b>4,176.47</b>	<b>3,748.33</b>	<b>4,123.24</b>

Note 17 - Current tax assets (net) (Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance income tax (net of provision for tax) [net of provision for income tax Rs. 290,981.69 lacs (March 31, 2018: Rs. 235,687.55 lacs and April 01, 2017: Rs. 235,687.55 lacs)]	10,657.77	10,426.15	10,864.51
<b>Total</b>	<b>10,657.77</b>	<b>10,426.15</b>	<b>10,864.51</b>

Note 18 - Investment property (Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017*
<b>Opening balance</b>	<b>215.51</b>	<b>192.99</b>	<b>192.99</b>
Transferred to property, plant and equipment	-	(96.47)	-
Transferred from property, plant and equipment	-	118.99	-
<b>Closing balance</b>	<b>215.51</b>	<b>215.51</b>	<b>192.99</b>
<b>Depreciation and impairment</b>			
Opening balance	5.69	2.24	-
Charge for the year	3.46	3.45	2.24
<b>Closing balance</b>	<b>9.15</b>	<b>5.69</b>	<b>2.24</b>
<b>Net block</b>	<b>206.36</b>	<b>209.82</b>	<b>190.75</b>

\*Deemed cost as at April 01, 2017

(i) Amounts recognised in Statement of Profit and Loss for Investment Property

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental income	21.86	20.90
Direct operating expense from property that generated rental income	2.93	1.62
<b>Profit from investment properties before depreciation</b>	<b>18.93</b>	<b>19.28</b>
Depreciation	3.46	3.45
<b>Profit from investment properties</b>	<b>15.47</b>	<b>15.83</b>

(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 valuation of investment property as at March 31, 2019 is Rs. 647.73 lacs.

(iv) Pledged details

Investment property is not pledged.

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.



**Shriram Transport Finance Company Limited**  
Notes forming part of the financial statements for the year ended March 31, 2019

**Note 19 – Property, plant and equipment**

Particulars	(Rs. in lacs)									
	Land-Freehold	Building	Plant and Machinery	Furniture & Fixtures	Office Equipment	Leasehold Improvement	Vehicles	Total		
<b>Deemed cost as at April 01, 2017</b>	15.42	298.19	2,374.70	1,295.87	1,092.60	3,080.85	59.41	8,217.04		
Additions	-	-	2,304.39	768.60	744.43	3,420.84	-	7,238.26		
Disposals	-	3.21	435.41	40.74	56.23	275.99	5.04	816.62		
Adjustment*	-	-	-	-	0.17	(0.17)	-	-		
Transferred from investment property	-	96.47	-	-	-	-	-	96.47		
Transferred to investment property	-	(118.99)	-	-	-	-	-	(118.99)		
<b>As at March 31, 2018</b>	15.42	272.46	4,243.68	2,023.73	1,780.97	6,225.53	54.37	14,616.16		
Additions	49.39	77.56	2,106.31	673.35	839.64	3,191.76	-	6,938.01		
Disposals	-	110.84	884.67	116.75	160.13	578.87	26.91	1,878.17		
Adjustment*	-	(0.02)	0.02	(0.01)	0.57	(0.57)	(0.01)	(0.02)		
<b>As at March 31, 2019</b>	64.81	239.16	5,465.34	2,580.32	2,461.05	8,837.85	27.45	19,675.98		
<b>Accumulated depreciation and impairment</b>										
<b>As at April 01, 2017</b>	-	-	-	-	-	-	-	-		
Charge for the year	-	5.26	1,057.73	230.66	511.94	1,707.07	7.92	3,520.58		
Disposals	-	1.00	387.60	34.24	45.66	252.89	4.79	726.18		
Adjustment*	-	-	-	-	0.17	(0.17)	-	-		
<b>As at March 31, 2018</b>	-	4.26	670.13	196.42	466.45	1,454.01	3.13	2,794.40		
Charge for the year	-	5.02	1,372.79	284.18	497.55	2,023.54	7.92	4,191.00		
Disposals	-	17.38	806.73	100.49	148.13	556.82	25.68	1,655.23		
Adjustment*	-	(0.02)	0.03	-	0.57	(0.59)	-	(0.01)		
<b>As at March 31, 2019</b>	-	(8.12)	1,236.22	380.11	816.44	2,920.14	(14.63)	5,330.16		
<b>Net carrying amount as at April 01, 2017</b>	15.42	298.19	2,374.70	1,295.87	1,092.60	3,080.85	59.41	8,217.04		
<b>Net carrying amount as at March 31, 2018</b>	15.42	268.20	3,573.55	1,827.31	1,314.52	4,771.52	51.24	11,821.76		
<b>Net carrying amount as at March 31, 2019</b>	64.81	247.28	4,229.12	2,200.21	1,644.61	5,917.71	42.08	14,345.82		

\* Adjustment is on account of regrouping of property, plant and equipment and other intangible assets

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2019 is Rs. 33.80 lacs (March 31 2018: Rs. 31.35 lacs, April 01, 2017: Rs. 31.91 lacs).



**Shriram Transport Finance Company Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

Note 20 - Other intangible assets #		(Rs. in lacs)
Particulars		Computer software
Deemed cost as at April 01, 2017		160.57
Additions		102.57
As at March 31, 2018		263.14
Additions		135.78
Disposals		193.15
Adjustment*		0.02
As at March 31, 2019		205.79
<b>Accumulated amortisation and impairment:</b>		
As at April 01, 2017		-
Charge for the year		89.36
As at March 31, 2018		89.36
Charge for the year		102.81
Disposals		182.95
Adjustment*		0.01
As at March 31, 2019		9.23
Net carrying amount as at April 01, 2017		160.57
Net carrying amount as at March 31, 2018		173.78
Net carrying amount as at March 31, 2019		196.56

\* Adjustment is on account of regrouping of property, plant and equipment and other intangible assets

# Other than internally generated



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Note 21 - Other non-financial assets

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Plan asset - gratuity fund	-	193.17	-
Deferred lease rental	866.65	878.43	661.08
Goods and service tax credit (input) receivable	5,206.27	4,637.59	4,376.83
Prepaid expenses	831.52	818.87	542.16
Capital advances	304.49	234.71	172.86
Duties paid under protest	5,980.21	6,385.31	5,985.73
Other non-financial assets	689.30	803.93	1,194.94
<b>Total</b>	<b>13,878.44</b>	<b>13,952.01</b>	<b>12,933.60</b>

Note 22 - Trade payables

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	20,362.58	21,976.95	13,443.91
<b>Total</b>	<b>20,362.58</b>	<b>21,976.95</b>	<b>13,443.91</b>



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017				
	At Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Senior secured notes	256,499.04	-	-	256,499.04	250,460.80	-	-	250,460.80	134,867.57	-	134,867.57
External commercial bond - Secured	276,995.65	-	-	276,995.65	-	-	-	-	-	-	-
Redeemable non-convertible debentures - Secured	-	-	-	-	-	-	-	-	-	-	-
- Privately placed	1,912,732.96	-	-	1,912,732.96	2,428,940.59	-	-	2,428,940.59	1,682,411.23	-	1,682,411.23
- Public issue	577,084.67	-	-	577,084.67	114,905.95	-	-	114,905.95	318,845.96	-	318,845.96
Redeemable non-convertible debentures - Unsecured	-	-	-	-	-	-	-	-	-	-	-
- Privately placed	44,482.61	-	-	44,482.61	-	-	-	-	-	-	-
Commercial papers - Unsecured	350,380.08	-	-	350,380.08	448,953.93	-	-	448,953.93	-	-	-
<b>Total</b>	<b>3,418,175.01</b>	<b>-</b>	<b>-</b>	<b>3,418,175.01</b>	<b>3,243,261.27</b>	<b>-</b>	<b>-</b>	<b>3,243,261.27</b>	<b>2,136,124.76</b>	<b>-</b>	<b>2,136,124.76</b>
Debt securities in India	2,884,680.32	-	-	2,884,680.32	2,992,800.47	-	-	2,992,800.47	2,001,257.19	-	2,001,257.19
Debt securities outside India	533,494.69	-	-	533,494.69	250,460.80	-	-	250,460.80	134,867.57	-	134,867.57
<b>Total</b>	<b>3,418,175.01</b>	<b>-</b>	<b>-</b>	<b>3,418,175.01</b>	<b>3,243,261.27</b>	<b>-</b>	<b>-</b>	<b>3,243,261.27</b>	<b>2,136,124.76</b>	<b>-</b>	<b>2,136,124.76</b>

Note 24 - Borrowings (other than debt securities)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017				
	At Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At fair value through profit or loss	Designated at fair value through profit or loss	Total
<b>Secured</b>											
Term loan from banks - INR	1,183,138.13	-	-	1,183,138.13	1,481,288.94	-	-	1,481,288.94	1,485,721.77	-	1,485,721.77
Term loan from banks - FCNR	41,152.45	-	-	41,152.45	95,835.51	-	-	95,835.51	90,749.68	-	90,749.68
Term loan from financial institutions/corporates - INR	341,304.07	-	-	341,304.07	281,874.73	-	-	281,874.73	218,916.58	-	218,916.58
External commercial borrowing - FCNR	237,653.23	-	-	237,653.23	-	-	-	-	-	-	-
Term loan from banks - INR - Securitisation	1,773,852.50	-	-	1,773,852.50	1,683,816.34	-	-	1,683,816.34	1,379,501.57	-	1,379,501.57
Loans repayable on demand from Banks (Cash Credit from banks)	141,829.50	-	-	141,829.50	68,038.93	-	-	68,038.93	246,926.33	-	246,926.33
<b>Unsecured</b>											
Term loan from banks - INR	-	-	-	-	-	-	-	-	26,013.43	-	26,013.43
<b>Total</b>	<b>3,718,929.88</b>	<b>-</b>	<b>-</b>	<b>3,718,929.88</b>	<b>3,610,854.45</b>	<b>-</b>	<b>-</b>	<b>3,610,854.45</b>	<b>3,447,829.36</b>	<b>-</b>	<b>3,447,829.36</b>
Borrowings in India	3,440,124.20	-	-	3,440,124.20	3,515,018.94	-	-	3,515,018.94	3,357,079.68	-	3,357,079.68
Borrowings outside India	278,805.68	-	-	278,805.68	95,835.51	-	-	95,835.51	90,749.68	-	90,749.68
<b>Total</b>	<b>3,718,929.88</b>	<b>-</b>	<b>-</b>	<b>3,718,929.88</b>	<b>3,610,854.45</b>	<b>-</b>	<b>-</b>	<b>3,610,854.45</b>	<b>3,447,829.36</b>	<b>-</b>	<b>3,447,829.36</b>



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Note 25 - Deposits

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017				
	At Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits											
i. Public deposits*	1,016,976.71	-	-	1,016,976.71	835,430.20	-	-	835,430.20	890,644.18	-	890,644.18
ii. From corporate	14,531.78	-	-	14,531.78	21,459.38	-	-	21,459.38	12,963.68	-	12,963.68
iii. From others (Inter-corporate deposits from subsidiary/associate)	2,638.19	-	-	2,638.19	2,885.28	-	-	2,885.28	2,946.50	-	2,946.50
<b>Total</b>	<b>1,034,146.68</b>	<b>-</b>	<b>-</b>	<b>1,034,146.68</b>	<b>859,774.86</b>	<b>-</b>	<b>-</b>	<b>859,774.86</b>	<b>906,554.36</b>	<b>-</b>	<b>906,554.36</b>

\* includes Rs. 134.22 lacs (March 31, 2018 Rs. 75.65 lacs and April 01, 2017 Rs. 50.00 lacs) issued to director

Note 26 - Subordinated liabilities

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017					
	At Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated debis (unsecured) - Debentures	524,309.41	-	-	524,309.41	351,585.72	-	-	351,585.72	238,626.09	-	-	238,626.09
Subordinated debis (unsecured) - Bonds	95,878.69	-	-	95,878.69	147,608.39	-	-	147,608.39	150,687.51	-	-	150,687.51
<b>Total</b>	<b>620,188.10</b>	<b>-</b>	<b>-</b>	<b>620,188.10</b>	<b>499,194.11</b>	<b>-</b>	<b>-</b>	<b>499,194.11</b>	<b>389,313.60</b>	<b>-</b>	<b>-</b>	<b>389,313.60</b>
Subordinated debis in India	620,188.10	-	-	620,188.10	499,194.11	-	-	499,194.11	389,313.60	-	-	389,313.60
Subordinated debis outside India	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>620,188.10</b>	<b>-</b>	<b>-</b>	<b>620,188.10</b>	<b>499,194.11</b>	<b>-</b>	<b>-</b>	<b>499,194.11</b>	<b>389,313.60</b>	<b>-</b>	<b>-</b>	<b>389,313.60</b>



I Debt securities

A) Senior secured notes

Senior secured notes of Rs. 10,000,000/- each  
Terms of repayment

(Rs. in lacs)

Detail	Rate of interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Over 60 months	<10%	-	83,185.63	-
48-60 Months	<10%	88,296.57	-	-
24-36 months	<10%	31,748.07	31,660.37	134,867.57
12-24 months	<10%	136,454.40	135,614.80	-
<b>Total</b>		<b>256,499.04</b>	<b>250,460.80</b>	<b>134,867.57</b>

During the year ended March 31, 2018, the Company issued senior secured notes in offshore market (notes) aggregating to INR 116,000 lacs consisting of INR 84,000 lacs 8.10% notes due 2023 and INR 32,000 lacs 7.90% notes due 2021 payable in US dollars under INR 500,000 lacs Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST).

The Company has utilised the entire sum of Rs. 116,000.00 lacs raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Company has issued Rs. 135,000.00 lacs 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Exchange (SGX-ST) with a minimum board lot size of S \$200,000.

The Company has utilised the entire sum of Rs. 135,000.00 lacs raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

**Nature of security**

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.



I Debt securities

B) External commercial bond (ED) Secured

Privately Placed Redeemable External commercial bond of Rs. 100,000/- each  
Terms of repayment

(Rs. in lacs)

Detail	Rate of interest	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
24-36 months	>=10% <12%	276,995.65	-	-
<b>Total</b>		<b>276,995.65</b>	<b>-</b>	<b>-</b>

During the year ended March 31, 2019, the Company issued and allotted senior secured notes in offshore market (notes) aggregating to INR 284,990 lacs consisting of 5.70% notes due 2022 under INR 500,000 lacs Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX-ST). The proceeds of the Issue have been utilized for the purpose of onward disbursements.

Outstanding as at March 31, 2018 and April 01, 2017: Rs. Nil.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

C) Redeemable non-convertible debenture (NCD) -secured

i) Privately placed redeemable non-convertible debentures of Rs. 1,000/- each

Outstanding as at March 31, 2019 is Rs. Nil.

Terms of repayment as on March 31, 2018

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total *
	< 10%	>= 10% < 12%	>= 12% < 14%	
Upto 12 months	-	2,422.07	-	2,422.07

Terms of repayment as on April 01, 2017

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total *
	< 10%	>= 10% < 12% €	>= 12% < 14%	
12-24 months	-	2,302.04	-	2,302.04
Upto 12 months	-	11,023.39	5,795.41	16,818.80
<b>Total</b>	-	<b>13,325.43</b>	<b>5,795.41</b>	<b>19,120.84</b>

€ includes Rs. 2,585.98 lacs issued to related parties.

Nature of security

Secured by equitable mortgage of immovable property. Further secured by charge on plant and machinery, furniture and other fixed assets of the Company, charge on Company's hypothecation loans, other loans, advances and investments of the Company subject to prior charges created or to be created in favour of the Company's bankers, financial institutions and others.

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.

\* Amount pertains to debentures issued prior to notification of the RBI Circular DNBD(PD) CC No. 330/03.10.001/2012-13 dated June 27, 2013.

ii) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2019

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10% *^#	>= 10% < 12% ^##	>= 12% < 14%	>=14% <16%	
Over 60 months	69,222.76	133,479.88	-	-	202,702.64
48-60 months	21,024.21	19,084.48	-	-	40,108.69
36-48 months ^	152,275.74	-	14,576.60	-	166,852.34
24-36 months ^¥	468,765.68	22,002.27	-	-	490,767.95
12-24 months ^#^¥	222,777.89	98,084.95	19,910.64	1,361.23	342,134.71
Upto 12 months ¥^	670,166.63	-	-	-	670,166.63
<b>Total</b>	<b>1,604,232.91</b>	<b>272,651.58</b>	<b>34,487.24</b>	<b>1,361.23</b>	<b>1,912,732.96</b>

# includes Rs. 5,420.00 lacs issued to related parties

## includes Rs. 2,580.00 lacs issued to related parties

\* Includes 1 NCD of Rs. 30,000.00 lacs partly paid to the extent of Rs. 500,000/-

\* Includes 3 NCD of Rs. 8,000.00 lacs partly paid to the extent of Rs. 50,000/-

\* Includes 2 NCD of Rs. 9,000.00 lacs partly paid to the extent of Rs. 60,000/-

\* Includes 1 NCD of Rs. 66,600.00 lacs partly paid to the extent of Rs. 666,000/-

\* Includes 1 NCD of Rs. 2,500.00 lacs partly paid to the extent of Rs. 111,111.11

\* Includes 1 NCD of Rs. 1,500.00 lacs partly paid to the extent of Rs. 100,000/-

\* NCD amounting to Rs. 217,700.00 lacs issued at zero coupon rates and redeemable at premium are included in a/c on the basis of IRR.



1 Debt securities

₹ Out of the above NCDs having put/call option are as under (Rs. in lacs)

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	11,000.00	August 7, 2020
2	8.10%	30,000.00	March 23, 2020
3	8.79%	4,500.00	May 22, 2019
<b>Total</b>		<b>45,500.00</b>	

Terms of repayment as on March 31, 2018

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10% *^#	>= 10% < 12% ^##	>= 12% < 14%	
Over 60 months	90,221.69	152,455.59	-	242,677.28
48-60 months	152,263.23	-	-	152,263.23
36-48 months ^	443,476.09	21,937.15	-	465,413.24
24-36 months ^#	220,245.30	108,629.79	-	328,875.09
12-24 months *^#	722,145.72	-	-	722,145.72
Upto 12 months *^#	470,006.01	45,137.95	-	515,143.96
<b>Total</b>	<b>2,098,358.04</b>	<b>328,160.48</b>	<b>-</b>	<b>2,426,518.52</b>

# includes Rs. 5,420.00 lacs issued to related parties

## includes Rs. 3,080.00 lacs issued to related parties

\* Includes 1 NCD of Rs. 30,000.00 lacs partly paid to the extent of Rs. 500,000/-

\* Includes 4 NCD of Rs. 15,500.00 lacs partly paid to the extent of Rs. 50,000/-

\* Includes 2 NCD of Rs. 9,000.00 lacs partly paid to the extent of Rs. 60,000/-

^NCD amounting to Rs. 193,700.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

₹ Out of the above NCDs having put/call option are as under (Rs. in lacs)

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	11,000.00	August 7, 2020
2	8.10%	30,000.00	March 23, 2020
<b>Total</b>		<b>41,000.00</b>	

₹ Out of the above NCDs having put/call option are as under (Rs. in lacs)

Sr No	Rate of interest	Amount	Put/Call option date
1	8.06%	10,000.00	September 29, 2018
2	7.95%	25,000.00	July 12, 2018
3	8.25%	10,000.00	July 9, 2018
4	8.65%	25,000.00	July 9, 2018
5	9.31%	75,000.00	January 18, 2019
<b>Total</b>		<b>145,000.00</b>	

Terms of repayment as on April 01, 2017

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10% *^#	>= 10% < 12% ^##	>= 12% < 14%	
Over 60 months	86,714.19	152,442.15	-	239,156.34
48-60 months ^	241,457.30	21,627.58	-	263,084.88
36-48 months *^	58,428.56	108,570.62	-	166,999.18
24-36 months *^	405,571.94	1,065.11	-	406,637.05
12-24 months ^	243,644.85	43,048.74	-	286,693.59
Upto 12 months *^#	196,136.27	102,558.00	753.62	299,447.89
<b>Total</b>	<b>1,231,953.11</b>	<b>429,312.20</b>	<b>753.62</b>	<b>1,662,018.93</b>

# includes Rs. 3,920.00 lacs issued to related parties

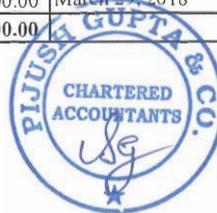
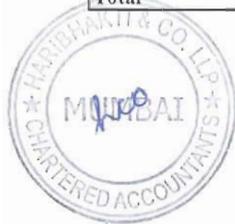
## includes Rs. 3,080.00 lacs issued to related parties

\* Includes 1 NCD of Rs. 30,000.00 lacs partly paid to the extent of Rs. 500,000/-

^NCD amounting to Rs. 113,000.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

₹ Out of the above NCDs having put/call option are as under (Rs. in lacs)

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	11,000.00	August 7, 2020
2	8.10%	30,000.00	March 23, 2020
3	8.06%	50,000.00	November 1, 2017
4	8.11%	25,000.00	March 29, 2018
<b>Total</b>		<b>116,000.00</b>	



**I Debt securities**

**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.

**iii) Privately placed redeemable non-convertible debenture of Rs. 3,000,000/- each**

Outstanding as at March 31, 2019 and March 31, 2018 is Rs. Nil.

**Terms of repayment as on April 01, 2017**

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%*	>= 12% < 14%	
Upto 12 months*	-	1,271.46	-	1,271.46
<b>Total</b>	-	<b>1,271.46</b>	-	<b>1,271.46</b>

\*Partly paid to the extent of Rs. 100,000/-

**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.

**iv) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each - (2010)**

**Terms of repayment**

Outstanding as at March 31, 2019 and March 31, 2018: Rs. Nil.

**Terms of repayment as on April 01, 2017**

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
Upto 12 months	724.11	3,709.48	-	4,433.59
<b>Total</b>	<b>724.11</b>	<b>3,709.48</b>	-	<b>4,433.59</b>

**Nature of security**

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 41,689.68 lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

Subject to the provisions of The Companies Act, 2013, where the Company has fully redeemed or repurchased any Secured NCD(s), the Company shall have the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or reissue.

The Company has bought back NCDs of Rs. 1,000.00 lacs on July 14, 2011, Rs. 128.64 lacs on October 28, 2014 and as per the terms of the issue Rs. 7,472.34 lacs were redeemed on June 1, 2013, Rs. 7,472.34 lacs were redeemed on June 1, 2014 and Rs. 10,443.36 lacs were redeemed on June 1, 2015.

Put options were exercised for option I on June 01, 2013 and Rs. 9,019.04 lacs were paid on July 05, 2013 in compliance with the terms of issue.

Put options were exercised for option II on June 01, 2015 and Rs. 1,440.95 lacs were paid on July 02, 2015 and Rs. 251.58 lacs were paid on July 03, 2015 in compliance with the terms of issue.

As per the terms of the issue Rs. 4,461.43 lacs were redeemed on June 01, 2017.

**v) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2012)**

**Terms of repayment**

Outstanding as at March 31, 2019 and March 31, 2018: Rs. Nil.

**Terms of repayment as on April 01, 2017**

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%*	>= 12% < 14%	
Upto 12 months	-	36,659.81	-	36,659.81
<b>Total</b>	-	<b>36,659.81</b>	-	<b>36,659.81</b>

\* includes Rs. 0.50 lacs issued to related parties .

**Nature of security**

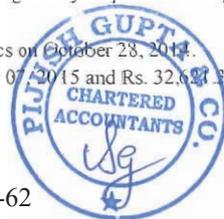
Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 60,000/- lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

The Company has bought back non-convertible debentures of Rs. 54.85 lacs on October 28, 2014.

As per the terms of the issue Rs. 27,323.76 lacs were redeemed on August 07, 2015 and Rs. 32,659.81 lacs were redeemed on August 09, 2017.



1 Debt securities

vi) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2013)-1

Terms of repayment

Outstanding as at March 31, 2019: Rs. Nil.

As per the terms of the issue NCD 2013 ( 1 ) Rs. 23,478.41 lacs were redeemed on July 31, 2018.

Terms of repayment as on March 31, 2018

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%*	>= 10% < 12%	>= 12% < 14%	
Upto 12 months	24,992.16	-	-	24,992.16
<b>Total</b>	<b>24,992.16</b>	-	-	<b>24,992.16</b>

\* includes Rs. 0.60 lacs issued to related parties.

Terms of repayment as on April 01, 2017

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%*	>= 10% < 12%	>= 12% < 14%	
Upto 12 months	42,851.04	-	-	42,851.04
<b>Total</b>	<b>42,851.04</b>	-	-	<b>42,851.04</b>

\* includes Rs. 1.20 lacs issued to related parties.

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 73,589.04 lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

The Company has bought back non-convertible debentures of Rs. 19.14 lacs on October 28, 2014.

As per the terms of the issue Rs. 32,510.10 lacs were redeemed on July 31, 2016 and Rs. 17,581.39 lacs were redeemed on July 31, 2017.

vii) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2013)-2

Terms of repayment as on March 31, 2019

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	10,098.92	-	10,098.92
<b>Total</b>	-	<b>10,098.92</b>	-	<b>10,098.92</b>

As per the terms of the issue NCD 2013 ( 2 ) Rs. 11,468.49 lacs were redeemed on Oct 23, 2018.

Terms of repayment as on March 31, 2018

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%*	>= 12% < 14%	
24-36 months	-	9,731.88	-	9,731.88
12-24 months	-	11,865.03	-	11,865.03
<b>Total</b>	-	<b>21,596.91</b>	-	<b>21,596.91</b>

\* includes Rs. 160.50 lacs issued to related parties.

Terms of repayment as on April 01, 2017

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%*	>= 12% < 14%	
24-36 months	-	9,393.54	-	9,393.54
12-24 months	-	11,546.84	-	11,546.84
<b>Total</b>	-	<b>20,940.38</b>	-	<b>20,940.38</b>

\* includes Rs. 160.50 lacs issued to related parties.

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 50,000.00 lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue Rs. 29,401.44 lacs were redeemed on October 24, 2016.



I Debt securities

viii) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2014)

Terms of repayment as on March 31, 2019 (Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
24-36 months	-	22,758.76	-	22,758.76
12-24 months	2,779.74	43,716.40	-	46,496.14
<b>Total</b>	<b>2,779.74</b>	<b>66,475.16</b>	<b>-</b>	<b>69,254.90</b>

Terms of repayment as on March 31, 2018 (Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
36-48 Months	3,483.42	18,726.90	-	22,210.32
12-24 months	2,768.03	43,338.53	-	46,106.56
<b>Total</b>	<b>6,251.45</b>	<b>62,065.43</b>	<b>-</b>	<b>68,316.88</b>

Terms of repayment as on April 01, 2017 (Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 Months	3,472.84	18,244.64	-	21,717.48
12-24 months	45,704.40	-	-	45,704.40
upto 12 months	146,539.26	-	-	146,539.26
<b>Total</b>	<b>195,716.50</b>	<b>18,244.64</b>	<b>-</b>	<b>213,961.14</b>

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 197,484.71 lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue Rs.134,832.63 lacs were redeemed on July 15, 2017.

ix) Public issue of Non-convertible debentures (NCD) of Rs. 1000/- each-(IPO 2018 - 1)

Terms of repayment as on March 31, 2019 (Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%*	>= 10% < 12%	>= 12% < 14%	
24-36 months	240,760.60	-	-	240,760.60
48-60 Months	81,337.37	-	-	81,337.37
Over 60 months	60,980.52	-	-	60,980.52
<b>Total</b>	<b>383,078.49</b>	<b>-</b>	<b>-</b>	<b>383,078.49</b>

\* includes Rs. 5.40 lacs issued to related parties.

Outstanding as at March 31, 2018 and April 01, 2017: Rs. Nil.

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 364,851.86 lacs raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

x) Public issue of Non-convertible debentures (NCD) of Rs. 1000/- each-(IPO 2018 - 2)

Terms of repayment as on March 31, 2019 (Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%*	>= 10% < 12%	>= 12% < 14%	
24-36 months	-	28,864.74	-	28,864.74
48-60 Months	25,412.24	-	-	25,412.24
Over 60 months	7,159.37	-	-	7,159.37
<b>Total</b>	<b>32,571.61</b>	<b>28,864.74</b>	<b>-</b>	<b>61,436.35</b>

\* includes Rs. 1,375.45 lacs issued to related parties.

Outstanding as at March 31, 2018 and April 01, 2017: Rs. Nil.

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 60,679.19 lacs raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.



I Debt securities

xi) Public issue of Non-convertible debentures (NCD) of Rs. 1000/- each-(TPO 2018 - 3)

Terms of repayment as on March 31, 2019

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%*	>= 10% < 12%	>= 12% < 14%	
24-36 months	-	24,546.76	-	24,546.76
48-60 Months	22,696.15	-	-	22,696.15
Over 60 months	5,973.10	-	-	5,973.10
<b>Total</b>	<b>28,669.25</b>	<b>24,546.76</b>	<b>-</b>	<b>53,216.01</b>

\* includes Rs. 5.00 lacs issued to related parties.

Outstanding as at March 31, 2018 and April 01, 2017: Rs. Nil.

**Nature of security**

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 53,731.89 lacs raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

(Rs. in lacs)

Total non-convertible debentures-secured	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Privately placed (i+ii+iii)	1,912,732.96	2,428,940.59	1,682,411.23
Public issue (iv+v+vi+vii+viii+ix+x+xi)	577,084.67	114,905.95	318,845.96
<b>Total non-convertible debentures-secured</b>	<b>2,489,817.63</b>	<b>2,543,846.54</b>	<b>2,001,257.19</b>

D) Redeemable non-convertible debenture (NCD) -unsecured

i) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2019

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
Over 60 months	-	-	44,482.61	44,482.61
<b>Total</b>	<b>-</b>	<b>-</b>	<b>44,482.61</b>	<b>44,482.61</b>

Outstanding as at March 31, 2018 and April 1, 2017: Rs. Nil.

E) Commercial paper (CP) Unsecured

Privately placed redeemable commercial paper of Rs. 500,000/- each

Terms of repayment as on March 31, 2019

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
Upto 12 months	350,380.08	-	-	350,380.08

Terms of repayment as on March 31, 2018

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
Upto 12 months	448,953.93	-	-	448,953.93

Outstanding as at April 01, 2017: Rs. Nil.



**Shriram Transport Finance Company Limited**  
Notes forming part of the financial statements for the year ended March 31, 2019

**II Borrowings (other than debt securities)**

**A) Term loans from banks -secured (INR)**

As at March 31, 2019

Terms of repayment #

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 10.74%	20 to 21 instalments of quarterly frequency	74,937.20
36-48 months	8.56% to 9.48%	20 instalments of quarterly frequency	234,358.95
24-36 months	8.30% to 9.85%	12 to 20 instalments of quarterly and specific frequency	216,960.84
12-24 months	8.45% to 10.35%	7 to 36 instalments of monthly, quarterly and specific frequency	225,654.46
upto 12 months	7.75% to 10.76%	1 to 48 instalments of bullet, monthly, quarterly, half-yearly and yearly frequency	431,226.68
<b>Total</b>			<b>1,183,138.13</b>

# Loans are classified in respective time buckets based on option date.

**Nature of security**

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2018

Terms of repayment #

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.10% to 8.75%	20 instalments of quarterly frequency	296,989.13
36-48 months	8.30% to 9.20%	12 to 20 instalments of quarterly frequency	280,156.62
24-36 months	7.85% to 9.70%	10 to 36 instalments of monthly and quarterly frequency	297,224.04
12-24 months	8.20% to 9.60%	1 to 36 instalments of bullet, monthly and quarterly frequency	214,836.77
upto 12 months	7.10% to 9.70%	1 to 48 instalments of bullet, monthly, quarterly, half-yearly and yearly frequency	392,082.38
<b>Total</b>			<b>1,481,288.94</b>

# 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.



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

As at April 01, 2017

Terms of repayment #			(Rs. in lacs)
Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.60% to 9.50%	12 to 20 instalments of quarterly frequency	322,247.04
36-48 months	8.10% to 9.95%	15 to 20 instalments of quarterly frequency	384,167.88
24-36 months	8.40% to 10.05%	6 to 36 instalments of monthly, quarterly and half-yearly frequency	209,948.60
12-24 months	2.59% to 10.65%	1 to 48 instalments of bullet, monthly, quarterly, half-yearly and yearly frequency	310,964.21
upto 12 months	8.15% to 10.35%	1 to 48 instalments of bullet, monthly, quarterly, half-yearly and yearly frequency	258,394.04
<b>Total</b>			<b>1,485,721.77</b>

# Loans are classified in respective time buckets based on option date.

**Nature of security**

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

**B) Term loans from banks -secured (FCNR)**

As at March 31, 2019

Terms of repayment #			(Rs. in lacs)
Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
upto 12 months	2.59% to 9.37%	1 to 10 instalments of bullet, quarterly and specific frequency	41,152.45
<b>Total</b>			<b>41,152.45</b>

# Loans are classified in respective time buckets based on option date.

**Nature of security**

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2018

Terms of repayment #			(Rs. in lacs)
Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
24-36 months	8.25%	10 instalments of quarterly frequency	22,499.09
12-24 months	8.18% to 9.37%	7 to 10 instalments of quarterly frequency	15,902.30
upto 12 months	2.59% to 9.05%	1 to 3 instalments of bullet and specific frequency	57,434.12
<b>Total</b>			<b>95,835.51</b>

# 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.



**Shriram Transport Finance Company Limited**  
Notes forming part of the financial statements for the year ended March 31, 2019

As at April 01, 2017

Terms of repayment # (Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
24-36 months	9.22% to 9.37%	10 instalments of quarterly frequency	18,500.29
12-24 months	2.56% to 9.05%	1 to 3 instalments of bullet and specific frequency	17,348.99
upto 12 months	3.16% to 9.37%	1 to 3 instalments of bullet and specific frequency	54,900.40
<b>Total</b>			<b>90,749.68</b>

# 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.

**C) Term loans from financial institutions/corporates -secured (INR)**

As at March 31, 2019

Terms of repayment # (Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Over 60 months	10.20%	11 instalments of half-yearly and specific frequency	32,035.77
48-60 months	10.50%	11 instalments of half-yearly and specific frequency	71,228.76
36-48 months	8.40% to 9.98%	11 to 20 instalments of quarterly and specific frequency	112,191.60
12-24 months	8.75% to 9.27%	1 to 20 instalments of bullet and quarterly frequency	77,175.92
upto 12 months	8.60% to 10.50%	1 to 20 instalments of bullet, quarterly and half-yearly frequency	48,672.01
<b>Total</b>			<b>341,304.07</b>

# Loans are classified in respective time buckets based on option date.

**Nature of security**

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2018

Terms of repayment # (Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 Months	8.25% to 8.85%	11 to 20 instalments of quarterly and half yearly frequency	159,615.40
24-36 months	8.75% to 9.25%	1 to 20 instalments of bullet and quarterly frequency	93,271.63
12-24 months	9.25%	20 instalments of quarterly frequency	10,501.91
upto 12 months	8.75% to 10.50%	6 instalments of bullet and half-yearly frequency	18,485.79
<b>Total</b>			<b>281,874.73</b>

# 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.



**Shriram Transport Finance Company Limited**  
Notes forming part of the financial statements for the year ended March 31, 2019

As at April 01, 2017

Terms of repayment #

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Over 60 months	8.60% to 8.85%	11 to 20 instalments of quarterly and half-yearly frequency	60,110.79
36-48 months	9.50%	20 instalments of quarterly frequency	59,322.28
24-36 months	9.10% to 9.50%	1 to 20 instalments of bullet and quarterly frequency	66,515.09
12-24 months	10.50%	6 instalments of half-yearly frequency	25,426.71
upto 12 months	9.50%	20 instalments of specific frequency	7,541.71
<b>Total</b>			<b>218,916.58</b>

# 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.

**D) External commercial borrowing**

As at March 31, 2019

Terms of repayment

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 Months	9.83% to 10.02%	Bullet frequency	237,653.23
<b>Total</b>			<b>237,653.23</b>

Outstanding as at March 31, 2018 and April 01, 2017 is Rs. Nil.

**Nature of security**

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

**E) Term loan from banks - INR -Securitisation**

As at March 31, 2019

Terms of repayment

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
12 - 24 months	7.54% to 8.30%	1 to 55 instalments of monthly frequency	29,882.03
24 - 36 months	7.00% to 8.51%	1 to 55 instalments of monthly frequency	217,032.05
36 - 48 months	6.90% to 8.81%	1 to 60 instalments of monthly frequency	579,592.03
48-60 months	8.31% to 10.38%	1 to 61 instalments of monthly frequency	947,346.38
<b>Total</b>			<b>1,773,852.50</b>

As at March 31, 2018

Terms of repayment

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
12 - 24 months	7.57% to 8.54%	1 to 55 instalments of monthly frequency	22,073.89
24 - 36 months	7.43% to 9.23 %	1 to 55 instalments of monthly frequency	241,198.92
36 - 48 months	7.00% to 9.11%	1 to 55 instalments of monthly frequency	537,641.32
48 - 60 months	6.90% to 8.19%	1 to 60 instalments of monthly frequency	882,902.21
<b>Total</b>			<b>1,683,816.34</b>



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019  
As at April 1, 2017

Terms of repayment (Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
12 - 24 months	8.02% to 9.10%	1 to 55 instalments of monthly frequency	8,525.23
24 - 36 months	7.57% to 8.77%	1 to 55 instalments of monthly frequency	110,352.88
36 - 48 months	7.43% to 9.23%	1 to 55 instalments of monthly frequency	628,109.71
48 - 60 months	7.26% to 9.11%	1 to 55 instalments of monthly frequency	632,513.75
<b>Total</b>			<b>1,379,501.57</b>

**Nature of security**

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

**F) Loans repayable on demand from Banks (Cash Credit from banks) (Rs. in lacs)**

Particulars	Rate of interest	As at March 31, 2019
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.10 % to 11.95 %	141,829.50
<b>Total</b>		<b>141,829.50</b>

(Rs. in lacs)

Particulars	Rate of interest	As at March 31, 2018
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.10 % to 11.95 %	68,038.93
<b>Total</b>		<b>68,038.93</b>

(Rs. in lacs)

Particulars	Rate of interest	As at April 01, 2017
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.60 % to 11.95 %	246,926.33
<b>Total</b>		<b>246,926.33</b>

**G) Term loans from banks- unsecured**

Outstanding as at March 31, 2019 and March 31, 2018 : Rs. Nil.

As at April 01, 2017

Terms of repayment (Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
upto 12 months	9.00% to 13.35%	Bullet frequency	26,013.43
<b>Total</b>			<b>26,013.43</b>



### III Deposits

#### A) Deposits from public - unsecured - [Refer note 66]

Terms of repayment as on March 31, 2019

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10% €	>= 10% < 12%	
48-60 months €	105,067.72	-	105,067.72
36-48 months €	94,476.24	-	94,476.24
24-36 months €	358,308.75	-	358,308.75
12-24 months €	220,138.86	-	220,138.86
Upto 12 months €	209,332.00	29,653.14	238,985.14
<b>Total</b>	<b>987,323.57</b>	<b>29,653.14</b>	<b>1,016,976.71</b>

€ includes Rs. 142.47 lacs issued to related parties.

Terms of repayment as on March 31, 2018

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10% €	>= 10% < 12%	
48-60 months €	86,988.58	-	86,988.58
36-48 months €	75,277.56	-	75,277.56
24-36 months €	196,539.08	-	196,539.08
12-24 months €	154,785.50	28,032.03	182,817.53
Upto 12 months €	277,869.09	15,938.36	293,807.45
<b>Total</b>	<b>791,459.81</b>	<b>43,970.39</b>	<b>835,430.20</b>

€ includes Rs. 84.34 lacs issued to related parties.

Terms of repayment as on April 01, 2017

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10% €	>= 10% < 12% €	
48-60 months €	65,759.77	-	65,759.77
36-48 months €	61,375.51	-	61,375.51
24-36 months €	135,991.99	26,687.35	162,679.34
12-24 months €	233,418.65	15,005.78	248,424.43
Upto 12 months €	68,683.62	283,721.51	352,405.13
<b>Total</b>	<b>565,229.54</b>	<b>325,414.64</b>	<b>890,644.18</b>

€ includes Rs. 57.38 lacs issued to related parties.

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Total Deposits from public	1,016,976.71	835,430.20	890,644.18

#### B) Deposits from corporates - unsecured

Terms of repayment as on March 31, 2019

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10% €	>= 10% < 12%	
48-60 months	1,654.22	-	1,654.22
36-48 months	613.34	-	613.34
24-36 months	2,402.35	-	2,402.35
12-24 months	3,516.50	-	3,516.50
Upto 12 months	6,311.64	33.73	6,345.37
<b>Total</b>	<b>14,498.05</b>	<b>33.73</b>	<b>14,531.78</b>

€ includes Rs. 1,498.76 lacs issued to related parties.



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019  
Terms of repayment as on March 31, 2018

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	508.84	-	508.84
36-48 months	475.38	-	475.38
24-36 months	3,505.94	-	3,505.94
12-24 months	4,234.70	32.37	4,267.07
Upto 12 months	12,623.93	78.22	12,702.15
<b>Total</b>	<b>21,348.79</b>	<b>110.59</b>	<b>21,459.38</b>

Terms of repayment as on April 01, 2017

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	388.82	-	388.82
36-48 months	437.99	-	437.99
24-36 months	498.04	31.15	529.19
12-24 months	2,679.83	70.88	2,750.71
Upto 12 months	5,301.76	3,555.21	8,856.97
<b>Total</b>	<b>9,306.44</b>	<b>3,657.24</b>	<b>12,963.68</b>

C) Inter-corporate deposits from subsidiary/associate

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2019
Upto 12 months	9.50%	Bullet frequency	2,638.19
<b>Total</b>			<b>2,638.19</b>

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2018
Upto 12 months	9.50%	Bullet frequency	2,885.28
<b>Total</b>			<b>2,885.28</b>

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at April 01, 2017
Upto 12 months	9.50%	Bullet frequency	2,946.50
<b>Total</b>			<b>2,946.50</b>



IV Subordinated liabilities

A) Subordinated liabilities -unsecured - Bonds  
i) Privately placed subordinated debts of Rs. 1,000/- each

Terms of repayment as on March 31, 2019

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12% €	>=12% <14%	
12-24 months €	-	49,266.89	-	49,266.89
Upto 12 months €	-	46,611.80	-	46,611.80
<b>Total</b>	-	<b>95,878.69</b>	-	<b>95,878.69</b>

€ includes Rs. 592.90 lacs issued to related parties.

Terms of repayment as on March 31, 2018

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12% €	>=12% <14%	
24-36 months €	-	45,024.98	-	45,024.98
12-24 months €	-	43,281.73	-	43,281.73
Upto 12 months €	18.63	59,283.05	-	59,301.68
<b>Total</b>	<b>18.63</b>	<b>147,589.76</b>	-	<b>147,608.39</b>

€ includes Rs. 1,797.79 lacs issued to related parties.

Terms of repayment as on April 01, 2017

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10% €	>=10% <12% €	>=12% <14%	
36-48 months €	-	41,683.56	-	41,683.56
24-36 months €	-	40,095.52	-	40,095.52
12-24 months €	9.00	55,847.32	-	55,856.32
Upto 12 months €	2,495.66	10,556.45	-	13,052.11
<b>Total</b>	<b>2,504.66</b>	<b>148,182.85</b>	-	<b>150,687.51</b>

€ includes Rs. 1,587.35 lacs issued to related parties.

(Rs. in lacs)

Subordinated liabilities (unsecured) - Bonds	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Privately placed	95,878.69	147,608.39	150,687.51
<b>Total Subordinated liabilities (unsecured) - Bonds</b>	<b>95,878.69</b>	<b>147,608.39</b>	<b>150,687.51</b>

B) Subordinated liabilities -unsecured - Debentures  
i) Privately placed subordinated liabilities of Rs. 100,000/- each

Terms of repayment as on March 31, 2019

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
12-24 months	-	7,491.96	-	7,491.96
Upto 12 months	-	6,704.31	-	6,704.31
<b>Total</b>	-	<b>14,196.27</b>	-	<b>14,196.27</b>



**Shriram Transport Finance Company Limited**  
Notes forming part of the financial statements for the year ended March 31, 2019

**Terms of repayment as on March 31, 2018**

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
24-36 months	-	7,491.96	-	7,491.96
12-24 months	-	6,699.56	-	6,699.56
Upto 12 months	-	-	4,722.98	4,722.98
<b>Total</b>	-	<b>14,191.52</b>	<b>4,722.98</b>	<b>18,914.50</b>

**Terms of repayment as on April 01, 2017**

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
36-48 months	-	7,491.96	-	7,491.96
24-36 months	-	6,698.82	-	6,698.82
12-24 months	-	-	4,699.56	4,699.56
<b>Total</b>	-	<b>14,190.78</b>	<b>4,699.56</b>	<b>18,890.34</b>

**ii) Privately placed subordinated liabilities of Rs. 1,000,000/- each**

**Terms of repayment as on March 31, 2019**

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%#	>=10% <12%##	>=12% <14%	
Over 60 months	161,101.44	66,207.75	158,012.41	385,321.60
48-60 months	-	33,209.77	-	33,209.77
36-48 months	-	30,859.31	-	30,859.31
24-36 months	-	-	5,176.61	5,176.61
12-24 months	-	48,133.34	-	48,133.34
Upto 12 months	-	7,412.51	-	7,412.51
<b>Total</b>	<b>161,101.44</b>	<b>185,822.68</b>	<b>163,189.02</b>	<b>510,113.14</b>

# includes Rs. 11,900.00 lacs issued to related parties.

## includes Rs. 32,610.00 lacs issued to related parties.

**Terms of repayment as on March 31, 2018**

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%#	>=10% <12%##	>=12% <14%	
Over 60 months	161,028.22	52,663.82	-	213,692.04
48-60 months	-	22,349.57	-	22,349.57
36-48 months	-	2,570.89	5,169.31	7,740.20
24-36 months	-	45,501.48	-	45,501.48
12-24 months	-	7,410.30	-	7,410.30
Upto 12 months	2,705.66	31,535.06	1,736.91	35,977.63
<b>Total</b>	<b>163,733.88</b>	<b>162,031.12</b>	<b>6,906.22</b>	<b>332,671.22</b>

# includes Rs. 8,990.00 lacs issued to related parties.

## includes Rs. 30,610.00 lacs issued to related parties.



**Shriram Transport Finance Company Limited**  
Notes forming part of the financial statements for the year ended March 31, 2019

**Terms of repayment as on April 01, 2017**

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%#	>=10% <12%##	>=12% <14%	
Over 60 months	17,807.17	75,059.16	-	92,866.33
48-60 months	-	-	5,172.34	5,172.34
36-48 months	-	48,067.23	-	48,067.23
24-36 months	-	7,409.08	-	7,409.08
12-24 months	-	28,822.63	7,130.71	35,953.34
Upto 12 months	26,795.94	519.05	-	27,314.99
<b>Total</b>	<b>44,603.11</b>	<b>159,877.15</b>	<b>12,303.05</b>	<b>216,783.31</b>

# includes Rs. 1,740.00 lacs issued to related parties.

## includes Rs. 28,820.00 lacs issued to related parties.

**iii) Public issue of subordinated liabilities of Rs. 1,000/- each (2010) - quoted**

Outstanding as at March 31, 2019 and March 31, 2018 is Rs. Nil.

As per the terms of the issue Rs. 2,877.23 lacs were redeemed on June 01, 2017.

**Terms of repayment as on April 01, 2017**

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12% €	>=12% <14%	
Upto 12 months €	-	2,952.44	-	2,952.44
<b>Total</b>	<b>-</b>	<b>2,952.44</b>	<b>-</b>	<b>2,952.44</b>

€ includes Rs. 23.47 lacs issued to related parties.

(Rs. in lacs)

Subordinated liabilities (unsecured) - Debentures	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Privately placed (i+ii)	524,309.41	351,585.72	235,673.65
Public issue (iii)	-	-	2,952.44
<b>Total Subordinated liabilities (unsecured) - Debentures</b>	<b>524,309.41</b>	<b>351,585.72</b>	<b>238,626.09</b>



**Shriram Transport Finance Company Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

**Note 27 - Other financial liabilities**

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investor education and protection fund shall be credited by the following amounts (as and when due) #			
- Unclaimed dividend	1,068.96	1,310.11	1,083.21
- Unclaimed matured deposits and interest accrued thereon	17,339.65	20,737.92	15,530.53
- Unclaimed matured debentures and interest accrued thereon	1,833.42	3,539.22	5,755.28
- Unclaimed matured subordinated debts and interest accrued thereon	4,660.89	1,928.31	1,140.75
Temporary credit balance in bank accounts	6,895.30	10,550.58	8,125.98
Financial guarantee obligation	-	8,063.15	7,902.54
Payable on account of assignment	13,166.57	4,853.05	18,180.53
Insurance premium payable	43.80	1,857.19	3,002.36
Payable to dealers	619.80	3,820.36	1,601.93
Creditors for capital expenditure	272.05	925.53	117.45
Other liabilities (including Bonus payable)	27,229.03	7,482.36	8,442.31
<b>Total</b>	<b>73,129.47</b>	<b>65,067.78</b>	<b>70,882.87</b>

#There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF). At the request of few members, the Company issued demand drafts in lieu of stale dividend warrants. However, the members failed to encash the demand drafts and as a result the amount of the stale dividend warrants aggregating to Rs. 27,778/- were credited by the bank after the Company transferred the unpaid dividend amount to IEPF on due date . Subsequently, on May 08, 2019 , the Company transferred the said amount to IEPF.



Financial guarantee obligation

Credit quality of exposure

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial guarantee	-	87,176.01	78,360.46
<b>Total</b>	<b>-</b>	<b>87,176.01</b>	<b>78,360.46</b>

An analysis of changes in the gross carrying amount in relation to financial guarantee exposure is, as follows:

Gross exposure reconciliation

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance of outstanding exposure	87,176.01	78,360.46
Additions	-	8,815.55
Deletions	(87,176.01)	-
<b>Closing balance of outstanding exposure</b>	<b>-</b>	<b>87,176.01</b>

Reconciliation of ECL on financial guarantee obligation is given below:

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Simplified approach	Simplified approach
Financial guarantee obligation - opening balance	7,292.90	6,526.12
Additions	-	766.78
Deletions	(7,292.90)	-
<b>Financial guarantee obligation - closing balance</b>	<b>-</b>	<b>7,292.90</b>



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Note 28 - Current tax liabilities (Net)

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For taxation [net of advance tax Rs. 263.60 lacs (March 31, 2018: Rs. 447,970.42 lacs and April 01, 2017: Rs. 361,010.26 lacs)]	10,296.73	21,650.51	18,911.89
<b>Total</b>	<b>10,296.73</b>	<b>21,650.51</b>	<b>18,911.89</b>

Note 29 - Provisions

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>For employee benefits</b>			
For gratuity	128.35	-	42.12
For compensated absences (leave encashment and availment)	2,747.01	2,322.00	1,994.51
<b>For others</b>			
For undrawn loan commitment	1,176.08	504.85	19.48
For service tax- contested	8,406.10	8,793.99	8,793.99
For value added tax- contested	869.47	1,112.59	1,092.88
<b>Total</b>	<b>13,327.01</b>	<b>12,733.43</b>	<b>11,942.98</b>



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 54.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 54.2.2.6

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
	Stage 1 Collective	Stage 1 Collective	Stage 1 Collective
<b>Internal rating grade</b>			
<b>Performing</b>			
High grade	47,191.99	12,485.78	846.72
<b>Total</b>	<b>47,191.99</b>	<b>12,485.78</b>	<b>846.72</b>

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 lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Stage 1	Stage 1
<b>Opening balance of outstanding exposure</b>	12,485.78	846.72
New exposures	44,901.71	12,477.24
Exposures derecognised or matured/repaid (excluding write offs)	(10,195.50)	(838.18)
<b>Closing balance of outstanding exposure</b>	<b>47,191.99</b>	<b>12,485.78</b>

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	General approach	General approach
	Stage 1	Stage 1
<b>ECL allowance - opening balance</b>	504.85	19.48
New exposures	1,113.27	504.69
Exposures derecognised or matured (excluding write offs)	(442.04)	(19.33)
<b>ECL allowance - closing balance</b>	<b>1,176.08</b>	<b>504.84</b>



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Note 30 - Other non-financial liabilities

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	5,487.12	4,291.65	3,665.97
Advance from customers	1,462.50	3,040.06	3,262.35
Retention money and other sundry liabilities	21,772.68	24,643.10	26,671.54
<b>Total</b>	<b>28,722.30</b>	<b>31,974.81</b>	<b>33,599.86</b>



Note 31 - Equity share capital (Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>EQUITY SHARE CAPITAL</b>			
<b>Authorised:</b>			
647,000,000 (March 31, 2018 and April 01, 2017: 647,000,000) equity shares of Rs.10/- each	64,700.00	64,700.00	64,700.00
95,000,000 (March 31, 2018 and April 01, 2017: 95,000,000) preference shares of Rs.100/- each	95,000.00	95,000.00	95,000.00
	<b>159,700.00</b>	<b>159,700.00</b>	<b>159,700.00</b>
<b>Issued share capital</b>			
226,936,877 (March 31, 2018 and April 01, 2017: 226,936,877) equity shares of Rs. 10/- each	22,693.69	22,693.69	22,693.69
<b>Subscribed share capital</b>			
226,930,736 (March 31, 2018 and April 01, 2017: 226,930,736) equity shares of Rs. 10/- each	22,693.07	22,693.07	22,693.07
<b>Paid up (fully paid up)</b>			
<b>Equity shares</b>			
226,882,736 (March 31, 2018 and April 01, 2017: 226,882,736) equity shares of Rs. 10/- each fully paid up	22,688.27	22,688.27	22,688.27
	<b>22,688.27</b>	<b>22,688.27</b>	<b>22,688.27</b>
48,000 equity shares of Rs.10/- each (Rs. 5/- each paid up forfeited)	2.40	2.40	2.40
<b>Total Equity</b>	<b>22,690.67</b>	<b>22,690.67</b>	<b>22,690.67</b>

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 lacs)
As at April 01, 2017	226,882,736	22,688.27
Issued during the year	-	-
As at March 31, 2018	226,882,736	22,688.27
Issued during the year	-	-
As at March 31, 2019	226,882,736	22,688.27

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2019, the amount of per equity share dividend proposed in total for distributions to equity shareholders is Rs. 12.00 (March 31, 2018 : Rs. 11.00). Out of the said total dividend proposed for the year ended March 31, 2019, amount of interim dividend paid during the year was Rs. 5.00 (March 31, 2018 : Rs. 5.00) per equity share and amount of final dividend proposed by the Board of Directors is Rs. 7.00 (March 31, 2018: Rs. 6.00) per equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total Nil (March 31, 2018 : 18,800, April 01, 2017 : 582,168) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee service and includes Nil (March 31, 2018 : Nil, April 01, 2017 : 500,868) equity shares issued on account of merger of Shriram Holdings (Madras) Private Limited.

d. Details of shareholders holding more than 5% equity shares in the Company

Details of shareholding	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of shares	% holding in the class	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Equity shares of Rs. 10/- each</b>						
Shriram Capital Limited	59,173,023	26.08%	59,173,023	26.08%	59,173,023	26.08%
Piramal Enterprises Limited	22,600,000	9.96%	22,600,000	9.96%	22,600,000	9.96%

e. Refer note 52- Capital for the Company's objectives, policies and processes for managing capital

f. Proposed dividends on equity shares:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
The Board proposed dividend on equity shares			
Proposed dividend on equity shares for the year ended on March 31, 2019: Rs. 7.00 per share (March 31, 2018: Rs. 6.00 per share)	15,881.79	13,612.96	13,612.96
Tax on proposed dividend	3,264.55	2,798.18	2,771.28
<b>Total</b>	<b>19,146.34</b>	<b>16,411.14</b>	<b>16,384.24</b>



Note 32 - Other equity

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)</b>			
Opening Balance	265,455.44	234,055.44	
Add: Transfer from retained earnings	51,400.00	31,400.00	
<b>Closing balance</b>	<b>316,855.44</b>	<b>265,455.44</b>	<b>234,055.44</b>
<b>Securities premium account</b>	<b>175,481.06</b>	<b>175,481.06</b>	<b>175,481.06</b>
<b>Capital reserve</b>	<b>2,761.83</b>	<b>2,761.83</b>	<b>2,761.83</b>
<b>Capital redemption reserve</b>	<b>5,388.35</b>	<b>5,388.35</b>	<b>5,388.35</b>
<b>Debenture redemption reserve</b>			
Opening Balance	21,658.85	62,889.61	
Add: Transfer from retained earnings	25,147.25	9,206.55	
Less: Transfer to general reserve on account of redemption	(9,344.44)	(50,437.31)	
<b>Closing balance</b>	<b>37,461.66</b>	<b>21,658.85</b>	<b>62,889.61</b>
<b>General reserve</b>			
Opening Balance	181,390.94	115,253.63	
Add: Transfer from retained earnings	25,700.00	15,700.00	
Add: Transfer from debenture redemption reserve	9,344.44	50,437.31	
<b>Closing balance</b>	<b>216,435.38</b>	<b>181,390.94</b>	<b>115,253.63</b>
<b>Other comprehensive income</b>			
Opening	(260.26)	(131.34)	
Add: Transfer from retained earnings	(356.07)	(198.17)	
Deferred tax	124.43	69.25	
<b>Closing balance</b>	<b>(491.90)</b>	<b>(260.26)</b>	<b>(131.34)</b>
<b>Retained earnings</b>			
<b>Opening balance</b>	<b>682,981.38</b>	<b>523,027.40</b>	
Add: Profit for the current year	256,398.67	246,054.02	
<b>Add / Less: Appropriations</b>			
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(51,400.00)	(31,400.00)	
Transfer to general reserve	(25,700.00)	(15,700.00)	
Transfer to/from debenture redemption reserve	(25,147.25)	(9,206.55)	
Interim dividend [amount Rs. 5.00 per share (March 31, 2018: Rs. 5.00 per share)]	(11,344.14)	(11,344.14)	
Tax on interim dividend	(2,331.83)	(2,309.40)	
Tax on dividend written back on account of set off of dividend distribution tax	-	244.29	
Final dividend for the year ended March 31, 2018: Rs. 6.00 per share	(13,612.96)	(13,612.96)	
Tax on final dividend	(2,798.18)	(2,771.28)	
<b>Total appropriations</b>	<b>(132,334.36)</b>	<b>(86,100.04)</b>	
<b>Retained earnings</b>	<b>807,045.69</b>	<b>682,981.38</b>	<b>523,027.40</b>
<b>Total</b>	<b>1,560,937.51</b>	<b>1,334,857.59</b>	<b>1,118,725.98</b>

**Nature and purpose of Reserves**

**Securities premium account:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. 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 reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.



**Capital Reserve:** Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

**Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

**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) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 25,147.25 lacs (March 31, 2018: Rs. 9,206.55 lacs). The Company subsequent to the year end has deposited a sum of Rs. 7,000.00 lacs (March 31, 2018: Rs. 6,200.00 lacs, April 01, 2017: Rs. 31,750.00 lacs) 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.

**General reserve:** Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**Statutory reserve:** Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

**The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:**

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

**Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

**Proposed dividends on equity shares:**

Particulars	(Rs. in lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
The Board proposed dividend on equity shares			
Proposed dividend on equity shares for the year ended on March 31, 2019: Rs. 7.00 per share (March 31, 2018: Rs. 6.00 per share)	15,881.79	13,612.96	13,612.96
Tax on proposed dividend	3,264.55	2,798.18	2,771.28
<b>Total</b>	<b>19,146.34</b>	<b>16,411.14</b>	<b>16,384.24</b>



**Shriram Transport Finance Company Limited**  
Notes forming part of the financial statements for the year ended March 31, 2019

Particulars	Year ended March 31, 2019			Year ended March 31, 2018			Total
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised cost	Interest income on financial assets classified at fair value through profit or loss	
Interest on loans	-	1,502,756.98	-	-	1,290,011.09	-	1,290,011.09
Interest income from investments	-	18,227.15	97.75	-	17,277.01	96.82	17,373.83
Interest on deposits with banks	-	15,977.79	-	-	11,623.09	-	11,623.09
- Margin money deposit	-	407.89	-	-	917.51	-	917.51
- Deposits with banks	-	407.89	-	-	917.51	-	917.51
Other interest income	-	46.33	-	-	(77.86)	-	(77.86)
- unwinding of security deposit	-	913.94	-	-	(494.46)	-	(494.46)
- direct assignment	-	913.94	-	-	(494.46)	-	(494.46)
<b>Total</b>	-	<b>1,538,330.08</b>	<b>97.75</b>	-	<b>1,319,256.38</b>	<b>96.82</b>	<b>1,319,353.20</b>

Note 33 - Interest income

(Rs. in lacs)



**Shriram Transport Finance Company Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

**Note 34 - Fee and commission income**

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from commission services- life insurance	2,367.70	2,229.44
Income from commission services- general insurance	4,079.99	3,932.10
Income from commission services- others	683.28	1,529.33
<b>Total</b>	<b>7,130.97</b>	<b>7,690.87</b>

**Revenue from contracts with customers**

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Type of Services or Service</b>		
Fee and commission income	7,130.97	7,690.87
<b>Total revenue from contract with customers</b>	<b>7,130.97</b>	<b>7,690.87</b>
<b>Geographical markets</b>		
India	7,130.97	7,690.87
Outside India	-	-
<b>Total revenue from contract with customers</b>	<b>7,130.97</b>	<b>7,690.87</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	7,130.97	7,690.87
Services transferred over time	-	-
<b>Total revenue from contracts with customers</b>	<b>7,130.97</b>	<b>7,690.87</b>

**Contract balance**

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	848.44	1,398.10
Contract assets	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.



**Shriram Transport Finance Company Limited**

Notes forming part of the financial statements for the year ended March 31, 2019

**Note 35 - Net gain/ (loss) on fair value changes**

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	51.46	(746.20)
- Derivatives	(309.93)	(1,003.22)
<b>Total Net gain/(loss) on fair value changes</b>	<b>(258.47)</b>	<b>(1,749.42)</b>
Fair Value changes:		
- Realised	-	-
- Unrealised	(258.47)	(1,749.42)
<b>Total Net gain/(loss) on fair value changes</b>	<b>(258.47)</b>	<b>(1,749.42)</b>

**Note 36 - Other operating income**

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Bad debt recovery	2,416.66	1,205.09
Short term capital gain on sale of current investments	3,748.28	396.58
<b>Total</b>	<b>6,164.94</b>	<b>1,601.67</b>

**Note 37 - Other income**

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on income tax refund	665.55	5,796.67
Miscellaneous income	1,660.22	500.89
<b>Total</b>	<b>2,325.77</b>	<b>6,297.56</b>



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Note 38 - Finance costs

(Rs. in laes)

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total
Interest on deposits	-	84,165.99	84,165.99	-	81,648.52	81,648.52
Interest on borrowings (other than debt securities)						
- Loans from banks	-	139,207.62	139,207.62	-	152,654.09	152,654.09
- Loans from institutions and others	-	29,805.74	29,805.74	-	23,416.63	23,416.63
- External commercial borrowings	-	14,864.63	14,864.63	-	-	-
- Interest paid on securitisation	-	132,014.06	132,014.06	-	106,798.48	106,798.48
Interest on debt securities						
- Debentures	-	225,732.29	225,732.29	-	197,019.73	197,019.73
- Senior secured notes	-	23,116.12	23,116.12	-	12,961.66	12,961.66
- External commercial bond	-	2,710.45	2,710.45	-	-	-
- Commercial paper	-	44,519.96	44,519.96	-	14,798.33	14,798.33
Interest on subordinated liabilities	-	54,989.08	54,989.08	-	41,068.84	41,068.84
Other interest expense						
- Income tax	-	-	-	-	-	6,509.10
<b>Total</b>	<b>-</b>	<b>751,125.94</b>	<b>751,125.94</b>	<b>-</b>	<b>630,366.28</b>	<b>636,875.38</b>

Note 39 - Fee and commission expense

(Rs. in laes)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Brokerage	1,478.11	1,010.60
Professional charges-resource mobilisation	2,424.97	3,600.32
Processing charges on loans	220.31	73.31
Professional charges on securitisation	2,095.57	1,761.15
<b>Total</b>	<b>6,218.96</b>	<b>6,445.38</b>

Note 40 - Impairment of financial instruments

(Rs. in laes)

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at amortised cost	Total	On Financial instruments measured at fair value through OCI	On Financial instruments measured at amortised cost	Total
Loans	-	245,051.64	245,051.64	-	171,627.93	171,627.93
Investments	-	(6.39)	(6.39)	-	(0.63)	(0.63)
Others						
Undrawn Commitments	-	671.23	671.23	-	485.37	485.37
Other Assets	-	(7,490.29)	(7,490.29)	-	119.21	119.21
<b>Total</b>	<b>-</b>	<b>238,226.19</b>	<b>238,226.19</b>	<b>-</b>	<b>172,231.88</b>	<b>172,231.88</b>



Note 40 - Impairment of financial instruments

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Year ended March 31, 2019							(Rs. in lacs)
Particulars	General approach				Simplified approach	Total	
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI			
Loans and advances to customers	47,889.08	38,156.33	159,006.23	-	-	245,051.64	
Debt instruments measured at amortised cost	-	-	-	-	(6.39)	(6.39)	
Undrawn Commitments	671.23	-	-	-	-	671.23	
Others	-	-	-	-	(7,490.29)	(7,490.29)	
<b>Total impairment loss</b>	<b>48,560.31</b>	<b>38,156.33</b>	<b>159,006.23</b>	<b>-</b>	<b>(7,496.68)</b>	<b>238,226.19</b>	

Year ended March 31, 2018							(Rs. in lacs)
Particulars	General approach				Simplified approach	Total	
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI			
Loans and advances to customers	48,175.65	52,850.09	71,301.82	-	(699.63)	171,627.93	
Debt instruments measured at amortised cost	-	-	-	-	(0.63)	(0.63)	
Undrawn commitments	485.37	-	-	-	-	485.37	
Others	-	-	-	-	119.21	119.21	
<b>Total impairment loss</b>	<b>48,661.02</b>	<b>52,850.09</b>	<b>71,301.82</b>	<b>-</b>	<b>(581.05)</b>	<b>172,231.88</b>	



Shriram Transport Finance Company Limited

Notes forming part of the financial statements for the year ended March 31, 2019

Note 41 - Employee benefits expenses

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, other allowance and bonus	81,422.82	65,028.44
Contribution to provident and other funds	4,637.03	4,466.75
Staff welfare expenses	1,788.37	1,373.06
Gratuity expenses	456.90	448.95
<b>Total</b>	<b>88,305.12</b>	<b>71,317.20</b>

Note 42 - Depreciation, amortisation and impairment

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of tangible assets	4,194.46	3,524.04
Amortisation of intangible assets	102.81	89.36
<b>Total</b>	<b>4,297.27</b>	<b>3,613.40</b>

Note 43 - Other expenses

(Rs. in lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	10,124.71	9,912.98
Rates and taxes	483.78	222.76
Energy costs	1,828.41	1,670.31
Repairs and maintenance	4,579.40	4,946.97
Communication costs	4,904.57	4,768.32
Printing and stationery	1,362.27	1,643.98
Advertisement and publicity	1,570.47	83.37
Directors' sitting fees and commission	64.31	47.95
Auditor fees and expenses		
As Auditor:		
- Audit fees	84.00	83.93
- Tax audit fees	9.00	8.72
- Out of pocket	6.25	0.83
In any other manner:		
- Certification	3.73	3.27
Legal and professional charges	4,582.29	4,182.30
Other expenditure:		
Travelling and conveyance	12,754.47	12,742.94
Business promotion	4,372.35	3,977.98
Outsourcing expenses	4,217.20	3,622.16
Royalty	16,944.81	13,534.07
Insurance	236.09	205.50
Bank charges	5,253.77	4,228.70
Loss on sale of fixed assets (net)	51.35	18.16
Service charges	4,349.10	4,130.13
CSR expenses [Refer note 62]	4,005.50	1,881.50
Miscellaneous expenses	6,522.84	5,809.03
<b>Total</b>	<b>88,310.67</b>	<b>77,725.86</b>



**Note 44: Income Tax**

The components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

Particulars	(Rs. in laacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	134,637.53	88,826.31
Adjustment in respect of current income tax of prior years	(10,981.74)	872.46
Deferred tax relating to origination and reversal of temporary differences	(2,226.96)	44,427.44
<b>Total tax charge</b>	<b>121,428.83</b>	<b>134,126.21</b>
Current tax	123,655.79	89,698.77
Deferred tax	(2,226.96)	44,427.44

**Reconciliation of the total tax charge:**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2019 and March 31, 2018 is, as follows:

Particulars	(Rs. in laacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	377,827.50	380,180.23
At India's statutory income tax rate of 34.944% (2018: 34.608%)	132,028.04	131,572.77
Adjustment in respect of current income tax of prior years	(10,981.74)	872.46
Income not subject to tax		
Long term capital gain on shares	-	(1,612.10)
Others	(1,151.07)	(417.47)
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	55.71	230.09
Deduction under chapter VIA of the Income Tax Act, 1961 (section 80G)	637.04	210.53
Interest under section 234D of Income Tax Act, 1961	-	2,100.97
Others	840.85	1,168.96
<b>Income tax expense reported in the statement of profit and loss</b>	<b>121,428.83</b>	<b>134,126.21</b>

The effective income tax rate for March 31, 2019 is 32.14% (March 31, 2018: 35.28%).

**Deferred Tax**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	(Rs. in laacs)			
	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	2,351.85	-	(305.06)	-
Provision for post retirement benefits	1,004.77	-	(74.80)	(124.43)
Expenses allowable for tax purposes when paid	3,533.69	-	125.18	-
EIR impact on debt instrument in the nature of advances measured at Amortised Cost	3,644.23	-	2,468.19	-
EIR impact on debt instrument in the nature of borrowings measured at Amortised Cost	-	3,791.30	(3,749.40)	-
Impairment allowance for undrawn commitments	410.97	-	(234.55)	-
Fair Valuation of Derivative Financial instrument	-	205.50	(108.30)	-
Other temporary differences	622.86	1.50	(348.22)	-
<b>Total</b>	<b>11,568.37</b>	<b>3,998.30</b>	<b>(2,226.96)</b>	<b>(124.43)</b>



Note 44: Income Tax

(Rs. in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2018	As at March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2018
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	2,046.68	-	303.31	-
Provision for post retirement benefits	805.54	-	103.67	(69.25)
Expenses allowable for tax purposes when paid	3,658.90	-	376.36	-
ECL provision	-	-	41,016.43	-
EIR impact on debt instrument in the nature of advances measured at Amortised Cost	6,112.43	-	1,666.98	-
EIR impact on debt instrument in the nature of borrowings measured at Amortised Cost	-	7,540.70	(788.76)	-
Impairment allowance for undrawn commitments	176.41	-	169.61	-
Fair Valuation of Derivative Financial instrument	-	313.80	350.57	-
Other temporary differences	526.33	253.11	1,229.27	-
<b>Total</b>	<b>13,326.29</b>	<b>8,107.61</b>	<b>44,427.44</b>	<b>(69.25)</b>

(Rs. in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities
	April 01, 2017	April 01, 2017
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	1,717.27	-
Provision for post retirement benefits	695.13	-
Expenses allowable for tax purposes when paid	3,250.97	-
ECL provision	47,768.75	-
EIR impact on debt instrument in the nature of advances measured at Amortised Cost	-	6,687.02
EIR impact on debt instrument in the nature of borrowings measured at Amortised Cost	4,402.70	-
Impairment allowance for undrawn commitments	6.74	-
Reversal of premium under forward contract	-	657.98
Other Temporary differences	533.47	1,453.15
<b>Total</b>	<b>58,375.03</b>	<b>8,798.15</b>
<b>Net</b>	<b>49,576.88</b>	

Amounts recognised in respect of current tax / deferred tax directly in equity:

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-	-

Tax losses and Tax credits

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	-	-	-
Unused Tax Credits – MAT credit entitlement	-	-	1,781.08



**Shriram Transport Finance Company Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

**Note 45: Earnings per share**

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit after tax as per Statement of Profit and Loss (Rs. in lacs) (A)	256,398.67	246,054.02
Weighted average number of equity shares for calculating basic EPS (in lacs) (B)	2,268.83	2,268.83
Weighted average number of equity shares for calculating diluted EPS (in lacs) (C)	2,268.83	2,268.83
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (B)	113.01	108.45
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (C)	113.01	108.45



**Shriram Transport Finance Company Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

**Note 46: Investment in subsidiaries and structured entities**

During the year ended March 31, 2018, the Company sold the controlling stake in its wholly owned subsidiary, Shriram Automall India Limited (SAMIL) to the extent of 16,630,435 equity shares (representing 55.44% of paid-up capital) @ Rs. 94.03 per share for a total consideration of Rs. 1,565.76 lacs to MXC Solutions India Private Limited (MXC). Consequently, SAMIL ceased to be a subsidiary and is an associate of the Company from February 07, 2018.

Associates and subsidiaries of the Company are:

Name of the subsidiary/ associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2019	% equity interest March 31, 2018	% equity interest April 01, 2017
Shriram Automall India Limited (SAMIL) (Subsidiary Upto February 06, 2018)	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	Not applicable	Not applicable	100%
Shriram Automall India Limited (SAMIL) (Associate w.e.f. February 07, 2018)	India	New Delhi		44.56%	44.56%	Not applicable



**Note 47: Retirement benefit plan**

**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, Leave encashment and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 4,489.04 lacs (March 31, 2018: Rs. 3,592.95 lacs; April 01, 2017: Rs. 2,672.46 lacs) for Provident Fund contributions, Rs. 1,451.82 lacs (March 31, 2018: Rs. 1,263.58 lacs, April 01, 2017: Rs. 1,105.09 lacs) for Leave encashment and Rs. 1,429.31 lacs (March 31, 2018: Rs. 1,153.44 lacs, April 01, 2017: Rs. 562.66 lacs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

**Defined Benefit Plan**

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. 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 some third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the India 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 its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of equity instruments, property and debt instruments. Generally equity instruments and property should not exceed 30% of total portfolio. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows :

Particulars	(Rs. in lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :</b>		
Current Service Cost	471.97	407.94
Net interest expense	322.16	254.70
Interest Income	(337.23)	(252.26)
Past service cost	-	46.89
<b>Components of defined benefit costs recognised in profit or loss (A)</b>	<b>456.90</b>	<b>457.27 *</b>
<b>Remeasurement of gains/(losses) in other comprehensive income :</b>		
Return on plan assets (excluding amounts included in net interest expense)	73.54	(76.85)
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	56.18	(179.90)
Experience adjustments	226.35	454.92
<b>Components of defined benefit costs recognised in other comprehensive income (B)</b>	<b>356.07</b>	<b>198.17</b>
<b>Total (A+B)</b>	<b>812.97</b>	<b>655.44</b>

\*Gratuity expenses as per note 41 of statement of profit and loss is after netting of Nil (March 31, 2018 Rs. 8.32 lacs) on account of amount paid to trust towards relieved employees.

Movement in the present value of the defined benefit obligation are as follows :

Particulars	(Rs. in lacs)	
	As at March 31, 2019	As at March 31, 2018
<b>Change in the obligation during the year ended</b>		
Present value of defined obligation at the beginning of the year	4,130.31	3,527.72
<b>Expenses recognised in profit and loss account :</b>		
Current Service Cost	471.97	407.94
Interest expense/(income)	322.16	254.70
Recognised in other comprehensive income remeasurement gains/(losses)	282.53	275.02
Past service cost	-	46.89
Liability transferred in/acquisitions	9.51	15.49
Benefits paid from the fund	(273.24)	(397.44)
<b>Present value of defined obligation at the end of the year</b>	<b>4,943.24</b>	<b>4,130.32</b>



Change in the Fair value of plan assets :

Particulars	(Rs. in lacs)	
	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at the beginning of the period	4,323.48	3,493.91
Interest Income	337.23	252.26
Contributions by the Employer	500.96	897.90
Benefits paid from the fund	(273.24)	(397.44)
Return on plan assets excluding interest income	(73.54)	76.85
Fair value of plan assets at the end of the period	4,814.89	4,323.48

Calculation of benefit liability/(asset) :

Particulars	(Rs. in lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Defined benefit obligation	4,943.24	4,130.32	3,527.72
Fair value of plan assets	4,814.89	4,323.48	3,493.91
Benefit liability	128.35	(193.16)	33.81

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Expected return on Plan assets	7.64%	7.80%	7.22%
Rate of discounting	7.64%	7.80%	7.22%
Expected rate of salary increase	5.00%	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.

Mortality rate during employment Indian Assured Lives mortality (2006-08) Indian Assured Lives mortality (2006-08) Indian Assured Lives mortality (2006-08)

Mortality rate after employment N.A. N.A. N.A.

Investments quoted in active markets:

Particulars	(Rs. in lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investment funds	4,814.89	4,323.48	3,493.91
Total	4,814.89	4,323.48	3,493.91

Assumptions	(Rs. in lacs)					
	Discount rate		Future salary increases		Attrition rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(332.14)	380.58	380.67	(337.12)	72.14	(82.07)

Expected payment for future years	(Rs. in lacs)	
	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	498.55	399.30
Between 2 and 5 years	1,842.01	1,554.04
Between 5 and 10 years	2,151.98	1,825.62
Beyond 10 years	5,602.17	4,841.71
Total expected payments	10,094.71	8,620.67

The Company expects to contribute Rs. 673.02 lacs to the fund in the next financial year.  
The weighted average duration of the defined benefit obligation as at March 31, 2019 is 9 years (March 31, 2018: 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.



Note 48: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in lacs)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>									
<b>Financial assets</b>									
Cash and cash equivalents	102,913.54	-	102,913.54	109,071.33	-	109,071.33	113,079.87	-	113,079.87
Bank Balance other than above	223,305.00	71,928.14	295,233.14	258,113.42	271.03	258,384.45	333,812.75	7,223.52	341,036.27
Derivative financial instruments	2,171.64	-	2,171.64	1,054.13	-	1,054.13	2,641.73	-	2,641.73
Receivables									
(I) Trade receivables	848.44	-	848.44	1,398.10	-	1,398.10	443.42	-	443.42
(II) Other receivables	1,995.23	-	1,995.23	348.46	-	348.46	418.39	-	418.39
Loans	3,665,527.49	6,009,621.08	9,675,148.57	3,293,658.75	5,780,902.84	9,074,561.59	2,741,823.13	4,659,744.48	7,401,567.61
Investments	201,108.76	198,797.32	399,906.08	38,091.85	196,044.25	234,136.10	40,281.24	185,584.52	225,865.76
Other financial assets	-	4,176.47	4,176.47	604.18	3,144.15	3,748.33	1,216.15	2,907.09	4,123.24
<b>Non-financial Assets</b>									
Current tax asset	-	10,657.77	10,657.77	-	10,426.15	10,426.15	-	10,864.51	10,864.51
Deferred tax assets (net)	-	7,570.07	7,570.07	-	5,218.68	5,218.68	-	49,576.88	49,576.88
Investment property	-	206.36	206.36	-	209.82	209.82	-	190.75	190.75
Property, plant and equipment	-	14,345.82	14,345.82	-	11,821.76	11,821.76	-	8,217.04	8,217.04
Other intangible assets	-	196.56	196.56	-	173.78	173.78	-	160.57	160.57
Other non financial assets	6,200.06	7,678.38	13,878.44	5,676.23	8,275.78	13,952.01	5,744.63	7,188.97	12,933.60
<b>Total assets</b>	<b>4,204,070.16</b>	<b>6,325,177.97</b>	<b>10,529,248.13</b>	<b>3,708,016.45</b>	<b>6,016,488.24</b>	<b>9,724,504.69</b>	<b>3,239,461.31</b>	<b>4,931,658.33</b>	<b>8,171,119.64</b>
<b>Liabilities</b>									
<b>Financial Liabilities</b>									
Derivative financial liabilities	8,342.19	-	8,342.19	468.26	-	468.26	1,099.40	-	1,099.40
Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	20,362.58	-	20,362.58	21,976.95	-	21,976.95	13,443.91	-	13,443.91
(II) Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
Debt Securities	1,304,482.30	2,113,692.71	3,418,175.01	1,072,313.78	2,170,947.49	3,243,261.27	574,903.01	1,561,221.75	2,136,124.76
Borrowings (other than debt securities)	1,782,025.96	1,936,903.92	3,718,929.88	1,656,975.58	1,953,878.87	3,610,854.45	1,741,665.74	1,706,163.62	3,447,829.36
Deposits	247,979.51	786,167.17	1,034,146.68	307,999.90	551,774.96	859,774.86	362,048.56	544,505.80	906,554.36
Subordinated Liabilities	67,020.55	553,167.55	620,188.10	109,204.30	389,989.81	499,194.11	52,646.64	336,666.96	389,313.60
Other Financial liabilities	71,624.13	1,505.34	73,129.47	55,174.83	9,892.95	65,067.78	54,711.68	16,171.19	70,882.87
<b>Non-financial Liabilities</b>									
Current tax liabilities (net)	10,296.73	-	10,296.73	21,650.51	-	21,650.51	18,911.89	-	18,911.89
Provisions	10,758.14	2,568.87	13,327.01	10,569.43	2,164.00	12,733.43	10,086.33	1,856.65	11,942.98
Other non-financial liabilities	20,963.61	7,758.69	28,722.30	16,468.53	15,506.28	31,974.81	18,509.13	15,090.73	33,599.86
<b>Total Liabilities</b>	<b>3,543,855.70</b>	<b>5,401,764.25</b>	<b>8,945,619.95</b>	<b>3,272,802.07</b>	<b>5,094,154.36</b>	<b>8,366,956.43</b>	<b>2,848,026.29</b>	<b>4,181,676.70</b>	<b>7,029,702.99</b>
<b>Net</b>	<b>660,214.46</b>	<b>923,413.72</b>	<b>1,583,628.18</b>	<b>435,214.38</b>	<b>922,333.88</b>	<b>1,357,548.26</b>	<b>391,435.02</b>	<b>749,981.63</b>	<b>1,141,416.65</b>



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Note 49: Change in liabilities arising from financing activities

Particulars	(Rs. in lacs)					
	As at March 31, 2018	Cash Flows	Changes in fair value	Exchange difference	Other	As at March 31, 2019
Debt Securities	3,243,261.27	198,442.90	-	-	(23,529.16)	3,418,175.01
Borrowings (other than debt securities)	3,610,854.45	40,255.52	-	-	67,819.91	3,718,929.88
Deposits	859,774.86	173,321.35	-	-	1,050.47	1,034,146.68
Subordinated Liabilities	499,194.11	143,162.63	-	-	(22,168.64)	620,188.10
<b>Total liabilities from financing activities</b>	<b>8,213,084.69</b>	<b>555,182.40</b>	-	-	<b>23,172.58</b>	<b>8,791,439.67</b>

Particulars	(Rs. in lacs)					
	As at April 01, 2017	Cash Flows	Changes in fair value	Exchange difference	Other	As at March 31, 2018
Debt Securities	2,136,124.76	1,106,651.11	-	-	485.40	3,243,261.27
Borrowings (other than debt securities)	3,447,829.36	342,184.40	-	-	(179,159.31)	3,610,854.45
Deposits	906,554.36	(44,334.74)	-	-	(2,444.76)	859,774.86
Subordinated Liabilities	389,313.60	109,874.19	-	-	6.32	499,194.11
<b>Total liabilities from financing activities</b>	<b>6,879,822.08</b>	<b>1,514,374.96</b>	-	-	<b>(181,112.35)</b>	<b>8,213,084.69</b>



**Shriram Transport Finance Company Limited**  
Notes forming part of the financial statements for the year ended March 31, 2019

**Note 50: Contingent liabilities, commitments and leasing arrangements**

**(A) Contingent Liabilities**

(Rs. in lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a.	In respect of Income tax demands where the Company has filed appeal before various authorities	7,869.94	7,507.88	15,085.63
b.	VAT demand where the Company has filed appeal before various Appellates	12,430.40	12,700.57	10,925.05
c.	Service tax demand	19,831.14	31,110.08	12,833.93
d.	Guarantees and counter guarantees	100,019.24	221,391.36	163,921.07
e.	Guarantees given for subsidiary	-	-	200.00
	<b>Total</b>	<b>140,150.72</b>	<b>272,709.89</b>	<b>202,965.68</b>

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

Disputed income tax demands are on account of royalty, disallowance of ESOP expenses, 14A, derivatives etc.

**(B) Commitments not provided for**

(Rs. in lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	554.55	593.10	491.66
b.	Uncalled amount in investment in ICICI Investment Management Company Limited	-	-	747.02
c.	Commitments related to loans sanctioned but undrawn	47,191.99	12,485.78	846.72



**Shriram Transport Finance Company Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2019**  
**(C) Lease Disclosures**

As a lessee

**Operating Lease :**

The Company has taken various office premises, furniture and fixtures, computers and plant and machinery under operating lease. The lease payments recognised in the Statement of Profit and Loss are Rs. 10,124.71 lacs (March 31, 2018: Rs. 9,912.98 lacs). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

Future minimum lease payments under non-cancellable operating leases as at March 31, 2019 are as follows:

Particulars	(Rs. in lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Within one year	3,094.82	3,105.81	2,482.34
After one year but not more than five years	9,516.91	9,835.17	5,300.09
More than five years	2,998.85	3,372.07	2,280.51
<b>Total</b>	<b>15,610.58</b>	<b>16,313.05</b>	<b>10,062.94</b>

As a lessor

**Operating Lease :**

The Company has given office premises under operating lease. The income from operating lease recognised in the Statement of Profit and Loss are Rs. 21.86 lacs (March 31, 2018: Rs. 20.90 lacs). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

Future minimum lease payments under non-cancellable operating leases as at March 31, 2019 are as follows:

Particulars	(Rs. in lacs)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Within one year	14.66	14.66	-
After one year but not more than five years	57.89	64.12	-
More than five years	-	8.43	-
<b>Total</b>	<b>72.55</b>	<b>87.21</b>	<b>-</b>



Note 51: Related party disclosures

Relationship	Name of the party
<b>A Enterprises exercising control</b>	
(i) Enterprises having significant influence over the Company	: Shriram Capital Limited Shriram Ownership Trust Shriram Financial Ventures (Chennai) Private Limited
<b>B Enterprises where Control Exists</b>	
(i) Subsidiary	: Shriram Automall India Limited (SAMIL) (up to February 06, 2018)
(ii) Associates	: Shriram Automall India Limited (SAMIL) ( from February 07, 2018) Insight Commodities and Futures Private Limited* Shriram Asset Management Company Limited* Shriram Credit Company Limited* Shriram Financial Products Solutions (Chennai) Private Limited * Shriram Fortune Solutions Limited* Shriram General Insurance Company Limited* Shriram Insight Share Brokers Limited* Shriram Life Insurance Company Limited* Shriram Overseas Investments Private Limited* Shriram Wealth Advisors Limited* Shriram Value Services Limited* Bharath Investments Pte. Ltd., Singapore* SGI Philippines General Insurance Co. Inc. * Cartradeexchange Solutions Private Limited # Adroit Inspection Service Private Limited #
(iii) Key Management Personnel	: Mr. Umesh Revankar, Managing Director & CEO Mr. Amitabh Chaudhry (upto October 25, 2018) Mr. S. Lakshminarayanan Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Sunatiprasad M. Bafna (upto March 31, 2019) Mr. Pradeep Kumar Panja (from October 25, 2018) Mr. D. V. Ravi Mr. Puneet Bhatia Mr. Gerrit Lodewyk Van Heerde
(iv) Relatives of Key Management Personnel	: Mrs. Suchita U. Revankar (spouse of Managing Director & CEO) Mr. Shreyas U. Revankar (son of Managing Director & CEO) Mrs. Geeta G. Revankar (mother of Managing Director & CEO) Mr. Anil G. Revankar (brother of Managing Director & CEO) Mr. Shirish U. Revankar (son of Managing Director & CEO)
(v) Employees' Benefit Plans where there is significant influence	: Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

\* The Company neither hold any shares in the following entities nor these entities hold any shares in the Company. However these entities are "subsidiaries" of Shriram Capital Limited and hence these entities are treated as "associates" as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

# The Company neither hold any shares in the following entities nor these entities hold any shares in the Company. However these entities are "subsidiaries" of Shriram Automall India Limited and hence these entities are treated as "associates".



Note 51: Related party disclosures (Contd.)

Particulars	Enterprises having significant influence over the company		Subsidiary		Associate		Employees' Benefit Plans where there is significant influence		Key management personnel		Relative of key management personnel		Total	
	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	
<b>Payments/Expenses</b>														
Payment to key management personnel	-	-	-	-	-	-	-	-	125.97	112.62	-	-	125.97	112.62
Royalty	15,545.70	12,416.58	-	-	-	-	-	-	-	-	-	-	15,545.70	12,416.58
Service charges	3,990.00	3,800.00	-	-	-	-	-	-	-	-	-	-	3,990.00	3,800.00
I.T & BPO charges	-	-	-	3,800.34	3,394.12	-	-	-	-	-	-	-	3,800.34	3,394.12
Rent	-	99.63	323.17	443.97	85.28	-	-	-	-	-	-	-	443.97	508.08
Business mobilisation expenses	-	-	199.84	147.15	78.98	-	-	-	-	-	-	-	147.15	278.82
Other administrative expenses	-	85.78	63.52	82.18	7.45	-	-	-	-	-	-	-	82.18	156.75
Insurance premium	-	-	-	759.68	805.07	-	-	-	-	-	-	-	759.68	805.07
Commission	-	-	-	4,335.28	4,044.06	-	-	-	-	-	-	-	4,335.28	4,044.06
Interest on inter corporate deposit	-	-	210.93	199.33	35.35	-	-	-	-	-	-	-	199.33	246.28
Interest	38.04	39.52	23.24	5,303.15	4,842.48	-	-	-	16.41	5.41	0.91	0.99	5,358.51	4,911.63
Equity dividend	6,509.03	6,509.03	-	14.29	13.94	-	-	-	-	-	0.02	0.02	6,523.34	6,522.99
Non convertible debenture matured	-	-	-	160.00	2,360.50	-	-	-	-	-	1.10	1.10	161.10	2,361.60
Fixed deposit matured	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinate debt matured	54.27	48.34	5.90	821.70	-	-	-	-	-	50.00	3.26	1.96	876.77	54.24
Unsecured loan and advances	-	-	-	786.48	-	-	-	-	-	-	-	-	786.48	-
Refund of security deposit	-	100.41	-	-	-	-	-	-	-	-	-	-	-	100.41
Purchase of fixed asset	-	568.34	-	-	-	-	-	-	-	-	-	-	-	568.34
Reimbursement of petty cash	-	8.90	-	-	-	-	-	-	-	-	-	-	-	8.90
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	500.96	897.90	-	-	-	-	500.96	897.90
Inter corporate deposit repaid	-	-	880.00	2,835.00	360.00	-	-	-	-	-	-	-	2,835.00	1,240.00
<b>Receipts/Income</b>														
Common sharing expenses	1.40	1.42	29.29	168.11	103.89	-	-	-	-	-	-	-	169.51	134.60
Rent and electricity	17.79	31.54	164.13	414.26	36.38	-	-	-	-	-	-	-	432.05	232.05
Other administrative expenses	-	-	98.48	253.21	17.80	-	-	-	-	-	-	-	255.21	116.28
Commission	-	-	-	6,108.22	5,971.78	-	-	-	-	-	-	-	6,108.22	5,971.78
Sale of Trade mark	-	-	-	5.90	-	-	-	-	-	-	-	-	5.90	-
Equity dividend	-	-	1,200.00	-	-	-	-	-	-	-	-	-	-	1,200.00
Subordinated debt	-	-	-	2,500.00	6,000.00	-	-	-	-	-	-	-	2,500.00	6,000.00
Non-convertible debenture	-	-	-	1,173.85	-	-	-	-	200.00	-	-	-	1,373.85	-
Fixed deposit	-	-	-	1,400.00	-	-	-	-	50.00	75.00	3.11	2.62	1,453.11	77.62
Unsecured loan and advances repaid	-	-	451.82	741.10	14.93	-	-	-	-	-	-	-	741.10	466.75
Inter corporate deposit received	-	-	1,185.00	2,595.00	-	-	-	-	-	-	-	-	2,595.00	1,185.00



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Note 51: Related party disclosures (Contd.)

Particulars	Enterprises having significant influence over the company		Subsidiary	Associate		Employees' Benefit Plans where there is significant influence		Key management personnel		Relative of key management personnel		Total	
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Balance outstanding at the period end													
Share capital	5,917.30	5,917.30	-	13.28	-	-	-	-	-	0.02	0.02	5,929.81	5,930.60
Investment in equity shares	-	-	-	1,336.96	-	-	-	-	-	-	-	1,336.96	1,336.96
Unsecured loan and advances recoverable	-	-	-	57.70	12.31	-	-	-	-	-	-	57.70	12.31
Rent receivable	1.32	2.71	-	1.69	1.69	-	-	-	-	-	-	3.01	4.40
Commission receivable	-	-	-	765.28	1,238.20	-	-	-	-	-	-	765.28	1,238.20
Commission payable	-	-	-	262.02	277.39	-	-	-	-	-	-	262.02	277.39
Prepaid for insurance premium	-	-	-	214.75	180.21	-	-	-	-	-	-	214.75	180.21
Outstanding expenses	5,260.08	4,750.93	-	118.30	91.36	-	-	-	-	-	-	5,378.38	4,842.29
Fixed deposit	-	-	-	1,498.76	-	-	-	-	134.22	75.65	8.25	1,641.23	84.34
Subordinated debt	313.96	354.51	-	47,318.36	43,399.88	-	-	-	-	-	1.26	47,632.32	43,755.65
Non-convertible debenture	-	-	-	9,501.16	8,957.40	-	-	-	207.84	-	1.22	9,709.00	8,958.62
Expenses recoverable	0.12	0.12	-	20.61	32.93	-	-	-	-	-	-	20.73	33.05
Inter corporate deposit	-	-	-	2,595.00	2,835.00	-	-	-	-	-	-	2,595.00	2,835.00
Interest payable on inter corporate deposit	-	-	-	43.19	50.28	-	-	-	-	-	-	43.19	50.28



Note 51: Related party disclosures (Contd.)

Particulars	Enterprises having significant influence over the company		Subsidiary	Associate		Employees' Benefit Plans where there is significant influence		Key management personnel		Relative of key management personnel		Total	
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018		
<b>Payments/Expenses</b>													
Employee benefits for key management personnel													
- Short term benefits	-	-	-	-	-	-	-	52.90	50.20	-	-	52.90	50.20
- Post employment benefits	-	-	-	-	-	-	-	14.07	17.57	-	-	14.07	17.57
- Other long term benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
- Termination benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission & sitting fee paid to directors													
- Mr. Amitabh Chaudhry	-	-	-	-	-	-	-	10.25	7.50	-	-	10.25	7.50
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	11.90	9.90	-	-	11.90	9.90
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	12.15	9.90	-	-	12.15	9.90
- Mr. S. Sridhar	-	-	-	-	-	-	-	11.90	9.40	-	-	11.90	9.40
- Mr. Sumatiprasad M. Bafna	-	-	-	-	-	-	-	11.15	8.15	-	-	11.15	8.15
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	1.65	-	-	-	1.65	-
Royalty to Shriram Ownership Trust	15,545.70	12,416.58	-	-	-	-	-	-	-	-	-	15,545.70	12,416.58
Service charges to Shriram Capital Limited	3,990.00	3,800.00	-	-	-	-	-	-	-	-	-	3,990.00	3,800.00
I.T & BPO charges - Shriram Value Services Limited	-	-	-	3,800.34	3,394.12	-	-	-	-	-	-	3,800.34	3,394.12
Rent													
- Shriram Automall India Limited	-	-	323.17	443.97	85.28	-	-	-	-	-	-	443.97	408.45
- Shriram Capital Limited	-	99.63	-	-	-	-	-	-	-	-	-	-	99.63
Business mobilisation expenses - Shriram Automall India Limited	-	-	199.84	147.15	78.98	-	-	-	-	-	-	147.15	278.82
Other administrative expenses													
- Shriram Capital Limited	-	85.78	-	-	-	-	-	-	-	-	-	-	85.78
- Shriram Automall India Limited	-	-	63.52	82.18	7.45	-	-	-	-	-	-	82.18	70.97
Insurance premium													
- Shriram Life Insurance Company Limited	-	-	-	529.80	601.87	-	-	-	-	-	-	529.80	601.87
Commission													
- Shriram General Insurance Company Limited	-	-	-	229.88	203.20	-	-	-	-	-	-	229.88	203.20
(Chennai) Private Limited	-	-	-	3,392.22	3,529.56	-	-	-	-	-	-	3,392.22	3,529.56
Interest on Inter Corporate Deposit - Shriram Automall India Limited	-	-	210.93	199.33	35.35	-	-	-	-	-	-	199.33	246.28
Interest on fixed deposit													
- Key management personnel	-	-	-	-	-	-	-	8.57	5.41	-	-	8.57	5.41
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	0.73	0.68	0.73	0.68
- Shriram Fortune Solutions Limited	-	-	-	98.76	-	-	-	-	-	-	-	98.76	-



Note 51: Related party disclosures (Contd.)

Particulars	Enterprises having significant influence over the company		Subsidiary	Associate		Employees' Benefit Plans where there is significant influence		Key management personnel		Relative of key management personnel		Total	
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Interest on subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	0.12	0.13	0.12	0.13
- Shriram Automall India Limited	-	-	23.24	36.84	5.23	-	-	-	-	-	-	36.84	28.47
- Shriram Capital Limited	38.04	39.32	-	-	-	-	-	-	-	-	-	38.04	39.52
- Shriram Asset Management Company Limited	-	-	-	69.77	117.24	-	-	-	-	-	-	69.77	117.24
- Shriram Life Insurance Company Limited	-	-	-	769.20	555.80	-	-	-	-	-	-	769.20	555.80
- Shriram General Insurance Company Limited	-	-	-	3,475.80	3,102.61	-	-	-	-	-	-	3,475.80	3,102.61
Interest on non convertible debenture	-	-	-	-	-	-	-	7.84	-	-	-	7.84	-
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	0.05	0.19	0.05	0.19
- Shriram Life Insurance Company Limited	-	-	-	585.47	840.23	-	-	-	-	-	-	585.47	840.23
- Shriram General Insurance Company Limited	-	-	-	221.36	221.36	-	-	-	-	-	-	221.36	221.36
- Shriram Asset Management Company Limited	-	-	-	45.93	-	-	-	-	-	-	-	45.93	-
- Shriram Insight Share Brokers Limited	-	-	-	0.03	-	-	-	-	-	-	-	0.03	-
Equity dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
personnel	-	-	-	-	-	-	-	-	-	0.02	0.02	0.02	0.02
- Shriram Capital Limited	6,509.03	6,509.03	-	-	-	-	-	-	-	-	-	6,509.03	6,509.03
- Shriram Insight Share Brokers Limited	-	-	-	14.29	13.94	-	-	-	-	-	-	14.29	13.94
Non-convertible debenture matured	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	1.10	1.10	1.10	1.10
- Shriram Life Insurance Company Limited	-	-	-	160.00	2,360.50	-	-	-	-	-	-	160.00	2,360.50
Fixed deposit matured	-	-	-	-	-	-	-	-	-	-	-	-	-
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	50.00	50.00
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	3.26	1.96	3.26	1.96
Subordinated debt matured	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	0.80	-	0.80	-
- Shriram Capital Limited	54.27	48.34	-	-	-	-	-	-	-	-	-	54.27	48.34
- Shriram Automall India Limited	-	-	5.90	114.57	-	-	-	-	-	-	-	114.57	5.90
- Shriram Asset Management Company Limited	-	-	-	707.13	-	-	-	-	-	-	-	707.13	-



Shriram Transport Finance Company Limited  
Notes forming part of the financial statements for the year ended March 31, 2019

Note 51: Related party disclosures (Contd.)

Particulars	Enterprises having significant influence over the company		Subsidiary		Associate		Employees' Benefit Plans where there is significant influence		Key management personnel		Relative of key management personnel		Total	
	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	
Unsecured loan and advances received - Shriram Automall India Limited	-	-	-	786.48	-	-	-	-	-	-	-	786.48	-	
Refund of security deposit - Shriram Capital Limited	-	100.41	-	-	-	-	-	-	-	-	-	-	100.41	
Purchase of fixed asset - Shriram Capital Limited	-	568.34	-	-	-	-	-	-	-	-	-	-	568.34	
Reimbursement of petty cash - Shriram Capital Limited	-	8.90	-	-	-	-	-	-	-	-	-	-	8.90	
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	500.96	897.90	-	-	-	-	500.96	897.90	
Inter corporate deposit repaid - Shriram Automall India Limited	-	-	880.00	2,835.00	360.00	-	-	-	-	-	-	2,835.00	1,240.00	
<b>Receipts/Income</b>														
Recovery of common sharing expenses - Shriram Automall India Limited	-	1.40	29.29	51.53	6.02	-	-	-	-	-	-	51.53	35.31	
- Shriram Capital Limited	-	-	-	-	-	-	-	-	-	-	-	1.40	1.42	
- Shriram Asset Management Company Limited	-	-	-	6.00	6.00	-	-	-	-	-	-	6.00	6.00	
- Shriram Insight Share Brokers Limited	-	-	-	3.03	3.11	-	-	-	-	-	-	3.03	3.11	
- Shriram Fortune Solutions Limited	-	-	-	107.29	88.75	-	-	-	-	-	-	107.29	88.75	
- Adroit Inspection Service Private Limited	-	-	-	0.26	-	-	-	-	-	-	-	0.26	-	
Rent & electricity														
- Shriram Capital Limited	17.79	31.54	-	-	-	-	-	-	-	-	-	17.79	31.54	
- Shriram Automall India Limited	-	-	164.13	414.26	36.38	-	-	-	-	-	-	414.26	200.51	
Other administrative expenses														
- Shriram Automall India Limited	-	-	98.48	255.21	17.80	-	-	-	-	-	-	255.21	116.28	
Commission														
- Shriram General Insurance Company Limited	-	-	-	3,740.52	3,742.34	-	-	-	-	-	-	3,740.52	3,742.34	
- Shriram Life Insurance Company Limited	-	-	-	2,367.70	2,229.44	-	-	-	-	-	-	2,367.70	2,229.44	
Sale of Trade mark	-	-	-	5.90	-	-	-	-	-	-	-	5.90	-	
Equity dividend	-	-	1,200.00	-	-	-	-	-	-	-	-	-	1,200.00	
Subordinated debt														
- Shriram General Insurance Company Limited	-	-	-	-	4,500.00	-	-	-	-	-	-	-	4,500.00	
- Shriram Life Insurance Company Limited	-	-	-	2,500.00	1,500.00	-	-	-	-	-	-	2,500.00	1,500.00	



Note 51: Related party disclosures (Contd.)

(Rs. in lacs)

Particulars	Enterprises having significant influence over the company		Subsidiary		Associate		Employees' Benefit Plans where there is significant influence		Key management personnel		Relative of key management personnel		Total	
	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
Non-convertible debenture	-	-	-	-	-	-	-	-	200.00	-	-	200.00	-	
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Shriram Asset Management Company Limited	-	-	-	1,173.40	-	-	-	-	-	-	-	1,173.40	-	
- Shriram Insight Share Brokers Limited	-	-	-	0.45	-	-	-	-	-	-	-	0.45	-	
Fixed deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Key management personnel	-	-	-	-	-	-	-	-	50.00	75.00	-	50.00	75.00	
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Shriram Fortune Solutions Limited	-	-	-	1,400.00	-	-	-	-	-	-	3.11	3.11	2.62	
Unsecured loan and advances repaid by	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Shriram Automall India Limited	-	-	451.82	741.10	14.93	-	-	-	-	-	-	741.10	466.75	
Inter corporate deposit - Shriram Automall India Limited	-	-	1,185.00	2,595.00	-	-	-	-	-	-	-	2,595.00	1,185.00	

Income / expenses are presented excluding service tax/GST

