



2021-22

SHRIRAM CREDIT COMPANY LIMITED
(CIN: U65993TN1980PLC008215)

Reg. Off: Shriram House, No.4, Burkit Road, T.Nagar, Chennai- 600 017

Website: www.shriramcredit.in

42nd ANNUAL REPORT



Shriram Credit Company Ltd.
Regd. Office: Shriram House, No.4, Burkit Road
T.Nagar, Chennai- 600 017
CIN: U65993TN1980PLC008215

NOTICE

To
All Members
Shriram Credit Company Limited

Pursuant to Section 101 (1) of the Companies Act, 2013, Notice is hereby given that the 42nd Annual General Meeting of the Members of Shriram Credit Company Limited will be held on **Tuesday, 26th July, 2022 at 1:00 P.M. (IST) at Shriram House, No.4, Burkit Road, T.Nagar, Chennai-600017** through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. No. 02-03/2022, 02/2021, 39/2020, 33/2020, 22/2020, 20/2020, 17/2020 and 14/2020 dated 5th March, 2022, 13th January, 2021, 31st December, 2020, 28th September, 2020, 15th June, 2020, 5th May, 2020, 13th April, 2020 and 8th April, 2020 respectively, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone and consolidated financial statements for the year ended 31st March, 2022 and the Reports of Directors' and Auditor's thereon.
2. To appoint a director in the place of Mr. Umesh Revanker [DIN: 00141189], who retires by rotation and being eligible, seeks re-appointment.
3. To appoint M/s K.S.Aiyar & Co, Chartered Accountants [FRN: 100186W] as Statutory Auditor of the Company for second term.

“RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, M/s K.S.Aiyar & Co, Chartered Accountants [FRN: 100186W], be and are hereby appointed as Statutory Auditors of the Company to hold office for a second term of five years, from the conclusion of this Annual General Meeting till the conclusion of the 47th Annual General Meeting of the Company to be held in the year 2027, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Board in consultation with the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Dr. Saleem K.Ali [holder of DIN: 07296177], who has submitted a declaration that he meets the criteria of independence under Section 149(6) of



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the Act, and who is eligible for reappointment, be and is hereby reappointed as an Independent Director of the Company, to hold office for a term of five years with effect from 12th May, 2022.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things, as may be necessary in this regard to give effect to this resolution.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof), the consent and approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Akhilesh Kumar Singh as the Vice-Chairman and Executive Director of the Company with effect from 1st June, 2022 with no change in terms and conditions in the agreement/contract between the Company and him, and whose office shall be liable to retire by rotation.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things, as may be necessary in this regard to give effect to this resolution.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and subject to the approval of the Registrar of Companies, the approval of the Members be and is hereby granted for the amendment of the Object Clause of the Memorandum of Association of the Company by inserting the following sub-clause 8 after the existing sub-clause 7 of Clause III (A):

“8. To carry on the business of distribution of various financial instruments both long term and short term, deposits, debentures, debt and equity instruments, unit of mutual funds, on behalf of banks, financial institution, public/private sector undertakings, government departments, state owned corporation and non-banking corporation and non-banking financial Companies.”

RESOLVED FURTHER THAT any Director or Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution.”

**For and on behalf of the Board
Shriram Credit Company Limited**

**Sd/-
Trina Nandi
Company Secretary**

**Date: 20th May, 2022
Place: Chennai**



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NOTES:

1. *Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Ordinary and Special Business to be transacted at this Annual General Meeting ('AGM'), is annexed.*
2. *Since this AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), (a) Members will not be able to appoint proxies for the meeting, and (b) Attendance Slip & Route Map are not being annexed to this Notice.*
3. *Corporate Members are requested to send a scanned copy (in PDF / JPG format) of the Board Resolution authorising their representatives to attend this AGM, pursuant to Section 113 of the Act, through e-mail to the Company Secretary of the Company at cs_sccl@shriram.com*
4. *In view of the prevailing circumstances due to the COVID-19 pandemic, and also in conformity with the applicable regulatory requirements, the Notice of this AGM and the Report and Accounts 2021 are being sent only through electronic mode to those Members who have registered their e-mail addresses with the Company.*
5. *The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act, the Register of contracts with related party, and contracts and bodies etc. in which Directors are interested under Section 189 of the Act, will remain available for inspection through electronic mode during the AGM, for which purpose Members are required to send an e-mail to the Company Secretary of the Company at cs_sccl@shriram.com.*
6. *In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 5th March, 2022, 13th January, 2021, 31st December, 2020, 28th September, 2020, 15th June, 2020, 5th May, 2020, 13th April, 2020 and 8th April, 2020 (collectively referred to as 'Circulars'), has introduced certain measures enabling companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode. Accordingly, your Company provides facility to the Members to attend the meeting through Video-conferencing. The procedure to attend the meeting through video-conferencing shall be intimated to the Members through electronic mail.*



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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

M/s K.S.Aiyar & Co., Chartered Accountants [Firm Regn. No: 100186W] were appointed as Statutory Auditors for the period of 5 years at the 37th Annual General Meeting held on 11th August, 2017. The Board of Directors has reappointed M/s K.S.Aiyar & Co. as the Statutory Auditors of the Company for a second term of 5 consecutive years subject to the approval of the members of the Company at the ensuing Annual General Meeting.

M/s K.S.Aiyar & Co., being eligible, they have indicated their willingness to serve as Statutory Auditors of the Company, if appointed for the second term. Their appointment as Statutory Auditors, if approved, by the members of the Company, will take effect from the conclusion of 42nd Annual General Meeting until the conclusion of the 47th Annual General Meeting of the Company, to be held in the year 2027.

A certificate from M/s K.S.Aiyar & Co. has been received to the effect that their appointment as Statutory Auditors of the Company, if made, would be according to the terms and conditions prescribed under Sections 139 and 141 of the Companies Act, 2013.

None of the Directors / Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the Resolution set out at item No. 3 of the notice. The Board recommends the Resolution at Item No. 3 to be passed as an Ordinary Resolution.

Item No. 4

Dr. Saleem K.Ali was appointed as the Independent Director for a period of 5 years with effect from 12th May, 2017 at the 37th Annual General Meeting of the Company held on 11th August, 2017. The term of appointment of Dr. Saleem K.Ali shall expire in this Annual General Meeting; hence the Board of Directors based on the recommendation of Nomination and Remuneration Committee, and subject to approval of shareholders, appointed Dr. Saleem K.Ali for another term of five years at its meeting held on 20th May, 2022.

Dr. Kassim Saleem Ali is a dynamic, energetic and result oriented leader with 36 years of varied experience. He is a retired IPS Officer who holds Ph.D degree in Civil Society Conflict Index and has MBA (Finance) and Masters in Chemistry. He was the Chairman and Managing Director of "Fourth Fource", an agency which provides background verification services across key business and industry that can help pre-empt and reduce wrong hires, fraud and criminal intent.

During his IPS career, he has held various high level posts in Police Department and Central Bureau of Investigation. He had received various awards for his distinctive services, which includes Police Medal for meritorious service in 1994 and for distinguish service in 2001 from the Honorable President of India.

Your Board considers that Dr. Saleem K.Ali's association with the Company as Independent Director would be of immense benefit to the Company and it is desirable to avail the services of Dr. Saleem K.Ali as Independent Director on the Board of the Company. Dr. Saleem K.Ali has given his declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and that he has registered with Independent Directors Databank and also successfully completed the online self-proficiency assessment test for Independent Directors' Databank.



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In the opinion of the Board, Dr. Saleem K.Ali fulfills the conditions specified in the Act and the Rules made thereunder for reappointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the reappointment of Dr. Saleem K.Ali as Non-Executive Independent Director is now being placed before the members for approval.

A copy of the draft letter of the appointment of Dr. Saleem K.Ali setting out the terms and conditions would be available for inspection without any fee by the members at the Company's Registered Office on any working day between 10:00 am to 12:00 noon and shall also be available at the meeting.

Except Dr. Saleem K.Ali, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions.

Item No.5

Mr. Akhilesh Kumar Singh was re- appointed as the Managing Director of the Company for a period of 3 years from 1st June, 2019 to 31st May, 2022, and later on he was re-designated as the Vice-Chairman & Executive Director of the Company w.e.f 20th January, 2021 for his remaining tenure i.e. till 31st May, 2022.

Mr. Akhilesh Kumar Singh has played a pivotal role in the overall performance of the company by defining and executing business strategy, strengthening the governance practices and provides overall leadership to the company. He has been associated with Shriram Group since 1994 and has been contributing extensively in the Core Business activities of the Shriram Group. He has a wide range of functional experience and setting up new business in a highly competitive environment. Considering his overall contribution in the growth of the company, the proposed remuneration is reasonable keeping in view his qualifications, experience and contribution to the growth of the company.

In the opinion of the Board of Directors, his services should be continued to be availed by the Company to achieve greater heights, by re-appointing him as the Vice-Chairman & Executive Director with effect from 1st June, 2022 till the time his contract is withdrawn.

The Board of Directors at its meeting held on 20th May, 2022, based on the recommendation of the Nomination and Remuneration Committee approved the re-appointment and payment of remuneration, subject to approval of the members of the Company. The terms and conditions of his appointment have been specified in a contract prepared in terms of Section 190 of the Companies Act, 2013 and a copy of the same shall be kept at Registered office of the Company for members' inspection.

Your Board recommends the passing of the resolution set out in the accompanying Notice as a **Special Resolution** in terms of Section 196,197, 198 of the Companies Act, 2013 read with (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and also read with Section II of Part II of Schedule V of the Companies Act, 2013

Your directors confirm that the Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year.

Except Mr. Akilesh Kumar Singh, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No. 5



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Item No. 6

With a view to expand its scope of operations and considering the business expansion strategies, the Company hereby, is intending to undertake the business of acting as marketing agents and brokers to deal in the various kinds of financial instruments whether long term or short term on behalf of Banks, Financial Institution, Public/Private Sector Undertakings, Government Departments, State Owned Corporation and Non-Banking Corporation and Non-Banking Financial Companies. The Company further intends to obtain AMFI (Association of Mutual Funds in India) License in order to give effect to the proposed activity to be undertaken by it.

In order to enable the company to undertake the business as mentioned above-herein, it is proposed to amend the Main Object Clause of the Memorandum of Association of the Company.

Pursuant to the provisions of Section 13 of the Companies Act, 2013 read with applicable rules made there-under; the consent of Members by way of Special Resolution is a pre-requisite to amend the Object Clause of the Memorandum of Association of the Company and thus, your approval is sought for the same.

The business activity as specified herein-above, can be carried out effectively and efficiently by the Company considering the prevailing market conditions.

None of the Directors, Key Managerial Personnel of the Company or their relatives is deemed to be concerned or interested in the aforesaid Resolution.

**For and on behalf of the Board
Shriram Credit Company Limited**

Sd/-

**Trina Nandi
Company Secretary**

Date: 20th May, 2022

Place: Chennai



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Information as required under Secretarial Standard 2: Dr. Saleem K.Ali

DR. SALEEM K. ALI	
Age	6 th November, 1953 (68 YEARS)
Qualifications	Ph.D degree in Civil Society Conflict Index and has MBA (Finance) and Masters in Chemistry
Experience	More than 36 years
Terms and conditions of reappointment	Dr. Ali is proposed to be appointed as Independent Director, who shall not retire by rotation.
Remuneration sought to be paid	In the form of sitting fees as determined by the Board of Directors
Remuneration last drawn	Rs.2,30,000/- (for the 4 meetings)
Date of first appointment on the Board	Dr. Ali was first appointed at the 37 th Annual General Meeting held on 11 th August, 2017.
Shareholding in the Company	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NIL
Number of Meetings of the Board attended during the year	During 2021-22 – All the 4 meetings
Directorships, Membership/ Chairmanship of Committees of the Boards of other companies	<p>He is an Independent Director in Shriram Fortune Solutions Ltd. and Way2Wealth Brokers Pvt. Ltd.</p> <p>He is a member in the following Committees of Shriram Fortune Solutions Ltd.:</p> <ul style="list-style-type: none"> -Audit Committee -Nomination & Remuneration Committee



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Annexure forming part of the Explanatory Statement as required to be given in terms of Section II of Part II of Schedule V to the Companies Act, 2013.

I. General Information:

(1)	Nature of industry	Shriram Credit Company Ltd (SCCL) is a Non-Banking Finance Company registered with Reserve Bank of India. Currently, the Company is engaged in the following activities: <ul style="list-style-type: none"> • To lend money on securities, movable or immovable properties. • To deal in negotiable instruments and securities.. • To act as a Sponsor for mutual funds and to perform all relevant operations/ activities connected in this regard. • To make strategic investments
(2)	Date or expected date of commencement of commercial production	The Company is in business since 1980.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

(4) Financial performance based on given indicators

(Rs. in lakhs)

Particulars	Financial Years	
	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Total Income	491.70	503.77
Profit before tax and depreciation	189.43	215.78
Provision for Depreciation	22.15	21.46
Finance Charges	158.43	85.62
Gross Profit	31.00	130.16
Net Profit before tax	8.85	108.70
Provision for Tax	1.37	18.02
Net Profit After Tax	7.48	90.69
Issued & Paid up Share Capital (face value Rs 10)	4806.31	4806.31



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(5)	Foreign investments or collaborators, if any	NIL
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II. Information about the Appointee:

(1)	Background details	<p>Mr. Akhilesh Kumar Singh is a B.Tech from IIT (Kharagpur) and a PGDBM from IIM (Bangalore). He has been associated with Shriram Group since 1994, starting his career as President of Shriram City Union Finance Ltd.</p> <p>During his association with the Group, he has handled responsibilities of Managing Directorship of Shriram City Union and Shriram Insight Share Brokers Ltd.</p> <p>The Company derives a lot of benefit from his diverse professional expertise and experience at Board Level and as well as in operations of the Company.</p>
(2)	Past remuneration	As a Vice Chairman of the Company, Mr. Singh received a remuneration of Rs.94,61,666/- which comprised of salary, perquisites and allowances, during the previous year ended 31st March, 2022.
(3)	Recognition or awards	NIL
(4)	Job profile and his suitability	The role of Mr. Singh as Managing Director of the Company includes overall responsibility for the growth and day to day business activity of the Company. He provides necessary strategic direction to all business lines/interests of the Company. He is instrumental in the overall business development of the Company as well.
(5)	Remuneration proposed	The terms of the remuneration proposed to be paid to Mr. Singh has been provided in resolution.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration proposed to be paid to Mr. Singh is in line with Managing Directors and Whole-time Directors of other companies keeping in view his job profile, the size of operations and complexity of business of the Company.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any	Mr. Singh is not related to any other Director or any Managerial Personnel of the Company.



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III. Other Information:

(1)	Reasons of loss or inadequate profits	Despite the challenging times for global market, your Company has earned a standalone total income of Rs. 491.70 lacs and a Net Profit after Tax of Rs. 7.48 lacs for FY 2021-22 as compared to the total income of Rs. 503.77 lacs and a Net Profit after Tax of Rs. 90.68 lacs earned during FY 2020-21. The Company acts as the holding company of ten operating companies engaged in the business of broking & DP, mutual fund, distribution of fixed investment products for retail investors in addition to managing a loan book.
(2)	Steps taken or proposed to be taken for improvement	The Company has not incurred any loss, but out of out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration, the Company agreed to pay the above remuneration as the minimum remuneration.
(3)	Expected increase in productivity and profits in measurable terms	During the current financial year 2022-23, the Company expects to have a substantial increase in the profit.

IV. Disclosures

The following details will be disclosed in the Board of Director's report under the heading "Corporate Governance" and will be attached to the Annual Report in the following years:

- All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
- Details of fixed component and performance linked incentives along with the performance criteria;
- Service contracts, notice period, severance fees;
- Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

For and on behalf of the Board
Shriram Credit Company Limited

Sd/-
Trina Nandi
Company Secretary

Date: 20th May, 2022
Place: Chennai



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Information as required under Secretarial Standard 2 : Mr. Akhilesh Kumar Singh

Age	59 years
Qualifications	B.Tech (IIT), PGDBM (IIM)
Experience	More than 25 years
Terms and conditions of reappointment	As detailed in the agreement
Remuneration sought to be paid	As detailed in the agreement
Remuneration last drawn	Rs. 12546000
Date of first appointment on the Board	5 th November 2007
Shareholding in the Company	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NIL
Number of Meetings of the Board attended during the year	4
Directorships, Membership/ Chairmanship of Committees of the Boards of other companies	<p>Mr. Akhilesh Kumar Singh is Director in the following companies</p> <ol style="list-style-type: none">Shriram Wealth LimitedShriram Insight Share Brokers LimitedShriram Fortune Solutions LimitedShriram Financial Products Solutions (Chennai) Private Limited <p>Mr. Akhilesh Kumar Singh is member in the Corporate Social Responsibility Committee of Shriram Financial Products Solutions (Chennai) Private Limited.</p>

**For and on behalf of the Board
Shriram Credit Company Limited**

Sd/-
Trina Nandi
Company Secretary

Date: 20th May, 2022
Place: Chennai

BOARD'S REPORT

To
 The Members,

Your Directors are pleased to present the Forty-second Annual Report together with the Audited Financial Statements for the year ended 31st March, 2022 of Shriram Credit Company Limited ('the Company').

FINANCIAL HIGHLIGHTS

PARTICULARS	Financial year			
	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Gross Income	491.70	503.77	41,674.05	29,357.95
Profit Before Interest and Depreciation	189.43	215.78	1,09.68	1,611.94
Finance Charges	158.43	85.62	389.57	126.30
Gross Profit	31.00	130.16	1,320.11	1,485.64
Provision for Depreciation	22.15	21.46	978.59	712.44
Net Profit Before Tax	8.85	108.70	341.52	773.20
Provision for Tax	1.37	18.02	286.89	182.24
Other Comprehensive Income	0.01	0.01	142.53	42.46
Minority Interest	-	-	(56.00)	(18.09)
Net Profit After Tax	7.48	90.69	253.16	651.51
Opening Adjustments	-	-	-	(16.81)
Transferred to Statutory Reserve	(1.50)	(18.14)	(1.50)	(18.14)
Balance of Profit brought forward	1,438.60	1,366.05	14,996.81	14,174.23
Balance available for appropriation	1,444.58	1,438.60	15,241.13	14,996.81
Net Interim Dividend Paid	-	-	-	-
Tax on Interim Dividend	-	-	-	-
Transfer to General Reserve	-	-	-	-
Surplus carried to Balance Sheet	1,444.58	1,438.60	15,241.13	14,996.81

BOARD'S REPORT

REVIEW OF OPERATIONS

The financial year 2021-22 has been an eventful year for Global economy. The first half of the fiscal saw the advent of second wave of the COVID 19 pandemic. The second wave had a far reaching impact on economy, lives of people and the businesses across the globe. Our country faced unmanageable number of COVID cases, resulting in shortage of critical medical infrastructure. COVID related restrictions were imposed to curtail the spread and government's stance on vaccinating the citizens helped in curtailing of the pandemic to a certain extent. India was able to achieve more than 85% of vaccination trend of first dose by end of second quarter of the fiscal. The GDP grew by 20.1% in Q1 and 8.5% in Q2 of FY 2021-22.

The third quarter of the fiscal saw the spurt of the third wave, which was short lived and less impactful as most of the citizens were either vaccinated for at least 1 dose. India stood out among other countries in managing the COVID pandemic and also the COVID restrictions were completely removed across the country in the third quarter. The GDP grew by 5.4% in the Q3. Russia's invasion of Ukraine was the key factor which impacts the economic activity across the globe.

The commodity prices soared across the globe and sanction imposed on Russia added to the adverse situation. Rising inflation and trade disruption has been the notable impact of economy and business across the globe. The Indian Rupee weakened by 1.9% in Q4 and lost 3.8% across USD in FY 2022. The Rupee ended the year at 75.901 against US Dollar.

Despite the challenging times for global market, your Company has during the year under review had earned a standalone total income of **Rs. 491.70 lacs** and a Net Profit after Tax of **Rs. 7.48 lacs** as compared to the total income of Rs. 503.77 lacs and a Net Profit after Tax of Rs. 90.68 lacs earned during the last year.

With the COVID restrictions removed completely, the economy has bounced back to the pre-COVID levels in most segments. However, the company is completely prepared to manage any adversities due to further spread of COVID and the company has taken precautionary measures to ensure the business continuity.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company.

CHANGE IN CAPITAL STRUCTURE

During the year under review, there is no change in capital structure of the Company.

The Authorised Share Capital: Rs.50,00,00,000 (2,50,00,000 Equity Shares of Rs.10 each and 2,50,00,000 Non Convertible Cumulative Redeemable Preference Shares of Rs. 10 each).

Issued, Subscribed and Paid up Share Capital: Rs. 48,06,31,290 (2,40,63,129 Equity Shares of Rs.10 each and 2,40,00,000 Non Convertible Cumulative Redeemable Preference Shares of Rs. 10/- each)

BOARD'S REPORT

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

The Company has not issued any Bonus Shares during the year under review.

d. RIGHTS ISSUE

The Company has not issued any rights shares during the year under review.

DIVIDEND & TRANSFER TO RESERVES

In order to conserve the funds for the business operations and expansion, the Board decided not to declare dividend to the equity and preference shareholders for the financial year ended 31st March, 2022.

Your Company has transferred Rs. 1.50 lacs to Statutory Reserve in terms of Section 45 IC of Reserve Bank of India Act, 1934.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as dividend declared on Non Convertible Cumulative Redeemable Preference Shares had been duly paid last year.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

No material changes and commitments affecting the financial position of the Company have taken place from 31st March, 2022 till the date of this report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

a. Appointment of Directors:

- At the Board Meeting held on 20th January 2021, Mr. M.R. Shashibhushan [Holder of DIN: 00492377] was appointed as Managing Director of the Company for a period of 3 years with effect from 20th January, 2021, and subsequently the shareholders approved his appointment in the 41st Annual General Meeting of the Company.
- Dr. Saleem K.Ali [DIN: 07296177] was appointed as the Independent Director for a period of 5 years with effect from 12th May, 2017 at the 37th Annual General Meeting of the Company held on 11th August, 2017. The Board, subject to approval of shareholders, has re-appointed Dr. Saleem K.Ali for the second term of 5 years at its Board meeting held on 20th May, 2022. Resolutions seeking approval of the members for re-appointment of Dr. Saleem K.Ali as an

BOARD'S REPORT

Independent Director of the Company has been included in the notice calling the ensuing Annual General Meeting

b. Resignation/ Cessation of Directors:

- Mr. R.Sundararajan [DIN: 00056355] Director, resigned on 31st March, 2022 (from the close of business hours). The Board places on record their appreciation for the assistance and guidance provided by Mr. R.Sundararajan during his tenure as Director of the Company.

c. Retirement by Rotation:

- Mr. Umesh Govind Revankar [DIN: 00141189], Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

d. Change in Designation of the Directors:

At the Board Meeting held on 20th January 2021, Mr. Akhilesh Kumar Singh has been re designated from the post of Managing Director to Vice Chairman and Executive Director of the Company with effect from 20th January, 2021 upto 31st May, 2022 and subsequently it was ratified in the 41st Annual General Meeting of the Company.

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

COMMITTEES OF THE BOARD

Your Company's Board has the following committees:

1. Audit Committee
2. Risk Management Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee
5. Asset- Liability Management Committee
6. IT Strategy Committee
7. Finance Committee and
8. Securities Committee
9. Credit Committee

Details of terms of reference of the Committees have been duly approved by the Board of Directors and they are available with the Company.

POLCIES OF THE COMPANY:

The Company has the framed the following policies in line with the Companies Act, 2013 (including various Rules and Regulations, amendments and modifications) and Master Direction issued by Reserve Bank of India. The policies are reviewed from time to time to with latest amendments and circulars issued by the concerned Regulators.

BOARD'S REPORT

- a. Policy on Related party Transactions
- b. Nominaton & Remuneration Policy
- c. Corporate Social Responsibility Policy
- d. Loan cum Credit Policy
- e. Investment Policy
- f. Liquidity Framework
- g. Risk Management Policy
- h. Asset- Liability Management Policy
- i. Policy on Information Technology
- j. Fair Practice Code
- k. Policy on Prevention of Money Laundering
- l. KYC Policy
- m. Fit & Proper Policy
- n. Liquidity Policy
- o. Interest Rate Policy
- p. The Internal Guidelines on Corporate Governance

The policies have been duly approved by the Board of Directors and can be accessed at website of the Company i.e. www.shriramcredit.in

BOARD EVALAUTION

Annual Performance Evaluation was conducted for all Board Members as well as the working of the Board and its Committees. This evaluation was led by the Chairman of the Nomination and Remuneration Committee with specific focus on performance and effective functioning of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013. Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance of Executive Directors, succession planning, strategic planning, etc.

Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc.

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance, risk and understanding of the organization's strategy, etc.

DIRECTOR'S RESPONSIBILITY STATEMENT

In pursuance of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of

BOARD'S REPORT

affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

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

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company has formulated a Remuneration Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013. The policy is based on the guiding principle aimed towards retaining and rewarding performers. The updated policy is available on the website of the Company and can be accessed at www.shriramcredit.in.

However, the payment of remuneration to the Directors is as per the Management policy and within the permissible limits of the Companies Act, 2013.

The performance of the members of the Board, and the Board as a whole were evaluated at the meeting of Independent Directors held on 11th February, 2022.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of the following members:

- a. Mr. D.V. Ravi
- b. Mr. Umesh G.Revankar
- c. Mr. Mohan Natarajan
- d. Dr. Saleem K.Ali

Mr. Mohan Natarajan and Dr. Saleem K.ali are the Independent Directors in the Audit Committee.

The provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 is not applicable to the Company.

BOARD MEETINGS

During the year under review, the Board of Directors met 4 times respectively on 21st May, 2021, 6th August, 2021, 26th October, 2021 and 11th February, 2022.

The intervening gap between any two meetings was within 120 days as prescribed by the Companies Act, 2013.

BOARD'S REPORT

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

The Company has eleven subsidiary companies as on 31st March 2022, namely Shriram Asset Management Company Ltd. (SAMCL), Shriram Insight Share Brokers Ltd. (SISBL), Shriram Fortune Solutions Ltd. (SFSL), Shriram Financial Products Solutions (Chennai) Pvt. Ltd.(SFPSL), Shriram Wealth Advisors Ltd (SWAL), Insight Commodities & Futures Private Limited (Subsidiary of Shriram Insight Share Brokers Limited) (ICF), SEA Funds Management India Private Limited (SFMIPL), Way2Wealth Securities Pvt. Ltd (W2WS), Way2Wealth Brokers Pvt. Ltd (W2WB) and Way2Wealth Commodities Pvt. Ltd (W2WC).

- a. **Shriram Asset Management Company Limited-** The Company during the year under review posted total income of Rs. 489.28 lacs and a loss of Rs. 155.60 lacs as compared to the total income of Rs. 531.21 lacs and a loss of Rs. 49.46 lacs during the preceding year.
- b. **Shriram Financial Products Solutions (Chennai) Private Limited-** The Company during the year under review posted total income of Rs.5,889.25 lacs and a Net Profit after Tax of Rs. 60.89 lacs as compared to the total income of Rs. 5,051.72 lacs and a Net Profit after Tax of Rs. 24.22 lacs during the preceding year.
- c. **Shriram Fortune Solutions Limited-** The Company during the year under review posted total income of Rs. 20,807.49 lacs and a loss of Rs.131.72 lacs as compared to total income of Rs. 15,860.63 lacs and a loss of Rs. 115.55 lacs during the preceding year.
- d. **Shriram Insight Share Brokers Limited-** The Company during the year under review had earned a total income of Rs. 5,439.01 lacs and a Net Profit after Tax Rs. 549.99 lacs of as compared to the total income of Rs. 5,089.09 lacs and a Net Profit after Tax of Rs. 496.92 lacs during the preceding year.
- e. **Shriram Wealth Advisors Limited-** The Company during the year under review posted total Company has earned a total income of Rs. 1,223.44 lacs and a loss of Rs. 231.40 lacs as compared to the total income of Rs. 810.98 lacs and a loss of Rs. 141.29 lacs during the preceding year.
- f. **Insight Commodities & Futures Private Limited -** The Company during the year under review posted total Company has earned a total income of Rs.37.99 lacs and a profit of Rs. 19.77 lacs as compared to the total income of Rs. 93.56 lacs and a Net Profit after Tax of Rs. 53.03 lacs during the preceding year.
- g. **SEA Funds Management India Private Limited -** The Company during the year under review posted total Company has earned a total income of Rs.100.94 lacs and a profit of Rs. 17.49 lacs as compared to the total income of Rs. 71.31 lacs and a profit of Rs. 31.79 lacs during the preceding year.
- h. **Way2Wealth Securities Pvt. Ltd-** The Company during the year under review posted a total income of Rs. Rs. 678.29 lacs and a profit of Rs. 19.44 lacs in FY 2021-22 as compared to the total income of Rs. Rs. 622.50 lacs and a loss of Rs.1,932.02 lacs during the preceding year.

BOARD'S REPORT

- i. **Way2Wealth Brokers Pvt. Ltd** - The Company during the year under review posted total income of Rs. 6,738.79 lacs and a loss of Rs. 77.04 lacs as compared to the total income of Rs. 6.117.16 lacs and a profit/ loss of Rs. 630.63 lacs during the preceding year.
- j. **Way2Wealth Commodities Pvt. Ltd** - The Company during the year under review posted total income of Rs. 109.39 lacs and loss of Rs. 6.43 lacs as compared to the total income of Rs. 357.69 lacs and a profit/ loss of Rs. 13.38 lacs during the preceding year.

During the year, none of the existing companies as mentioned above have ceased to be subsidiary, joint venture or associate company.

The Company has prepared consolidated financial statements of the Company as required under Section 129(3) of the Companies Act, 2013, which forms part of this Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed **Form AOC-1** is attached to the financial statement of the Company.

DEPOSITS

As your Company is a Non-Deposit Taking Systemically Important NBFC (NDSI), it has not accepted any deposits during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the standalone financial statements forming a part of this Annual Report.

Pursuant to Section 186 (11) of the Companies Act, 2013 loans or investments made, guarantee given or security provided by a Non-Banking Finance Company in the ordinary course of its business are exempted from disclosure in the Annual Report.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

In any industry, the processes and internal control systems play a critical role in the health of the Company. The Company's well-defined organisational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. The internal control system is supplemented by regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews with management. The Audit Committee also monitors the implemented suggestions given by management.

RELATED PARTY TRANSACTIONS

Your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013, the Board has approved a policy on related party transactions.

BOARD'S REPORT

All related party transactions are placed on a quarterly basis before the Audit Committee and before the Board for approval.

None of the related party transactions entered into by the Company were in conflict with the Company's interest. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

The particulars of contracts or arrangements with related parties in **Form AOC -2** are annexed herewith as **"Annexure A."**

AUDITORS

M/s K.S.Aiyar & Co., Chartered Accountants [Firm Regn. No: 100186W] were appointed as Statutory Auditors for the period of 5 years at the 37th Annual General Meeting held on 11th August, 2017. The Board of Directors has reappointed M/s K.S.Aiyar & Co. as the Statutory Auditors of the Company for a second term of 5 consecutive years subject to the approval of the members of the Company at the ensuing Annual General Meeting.

M/s K.S.Aiyar & Co., being eligible, they have indicated their willingness to serve as Statutory Auditors of the Company, if appointed for the second term. Their appointment as Statutory Auditors, if approved, by the members of the Company, will take effect from the conclusion of 42nd Annual General Meeting until the conclusion of the 47th Annual General Meeting of the Company, to be held in the year 2027. A certificate from M/s K.S.Aiyar & Co. has been received to the effect that their appointment as Statutory Auditors of the Company, if made, would be according to the terms and conditions prescribed under Sections 139 and 141 of the Companies Act, 2013.

Resolution seeking appointment of M/s K.S.Aiyar & Co., Chartered Accountants [Firm Regn.No: 100186W] as Statutory Auditors of the Company is placed in the notice for approval of the members at the ensuing Annual General Meeting.

QUALIFICATIONS IN THE STATUTORY/ SECRETARIAL AUDIT REPORTS

Your Board has pleasure in confirming that no disqualifications, reservations or adverse remarks made by M/s K.S.Aiyar & Co., Chartered Accountants [Firm Regn. No: 100186W], Statutory Auditors in their audit report issued to the Members of the Company for the financial statements for the financial year ended 31st March, 2022.

The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

FRAUDS REPORTED BY AUDITORS AS PER SEC 143 (12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There were no frauds reported by auditors in their report.

BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY

Our CSR Committee consist of the following directors as it's Members as on 31st March, 2022:

1. Mr. D.V.Ravi
2. Mr. Umesh G.Revankar
3. Mr. Mohan Natarajan, Independent Director

Members may kindly note that the Company is not falling under the criteria prescribed under Section 135(1) of the Companies Act, 2013 for the past three financial years and hence the provisions of Section 135(2) to Section 135(5) of the Companies Act, 2013 cease to apply to the Company

RISK MANAGEMENT POLICY

Risk Management is an ongoing process. The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. The Company has in place a Risk Management Policy, commensurate with its size of operations, which lays down a process for identification and mitigation of risks that could materially impact its performance. The policy is available on the Company's website and be accessed at www.shriramcredit.in

PARTICULARS OF EMPLOYEES

Information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as "Annexure B" to this report.

DISCLOSURES ON "CORPORATE GOVERNANCE"

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of the Managerial Personnel:

Particulars of Remuneration of Mr. Akhilesh Kumar Singh	Amount for FY 2021-22 (in Rs.)
Gross Salary	11,29,14,00
Incentives	-
Bonus	-
Perquisites	-
Leave Encashment paid in FY 2021-22	-
Contribution to NPS	12,54,600
Shares held by him	NIL

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

The Company has no activity relating to Conservation of Energy & Technology Absorption. There was no foreign exchange inflow or outflow during the year under review.

BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

Pursuant to Ministry of Corporate Affairs (MCA) Notification No. GSR 538 (E) dated 28th August, 2020, a Company shall not be required to attach the extract of the Annual Return with the Board's Report in Form No. MGT-9 in case the web link of such Annual Return has been disclosed in the Board's Report in accordance with Companies (Amendment) Act, 2017.

The e-form MGT-7 shall be filed with the MCA upon the completion of the 42nd Annual General Meeting of the Company as required under Section 92 of the Companies Act, 2013 and the Rules made thereunder and a copy of the same shall be furnished on the website of the Company to ensure compliance with the Companies (Amendment) Act, 2017, effective from 28th August, 2020.

In compliance with section 134(3)(a) of the Act, MGT 9 is uploaded on Companies website and can be accessed at www.shriramcredit.in

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During the year, no significant /material orders were passed by regulators or courts or tribunals against the Company, impacting the going concern status and company's operations in future.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL), ACT 2013

The Internal Complaints Committee of its holding company i.e. Shriram Capital Limited (SCL), formed in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 overviews the complaints of sexual harassment and their redressal. During the year, no complaints were received by the Committee.

EMPLOYEE STOCK OPTION SCHEME (ESOP)

Disclosure regarding Employee Stock Option Scheme (ESOP) is not applicable to the Company as the Company has no ESOP scheme.

STATEMENT OF COMPLIANCE OF SECRETARIAL STANDARDS

The Directors hereby confirm that the Company is in compliance with the applicable Secretarial Standards prescribed by the Institute of Company Secretaries of India as per Section 118(10) of the Companies Act, 2013.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)

During the year under review, there was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

BOARD'S REPORT

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

No loans were availed from any bank or financial institution during the year under review and accordingly no details are required to be disclosed.

HUMAN RESOURCES

The employees and Human Resources team at Shriram Credit Company Ltd. had to go through the unique and unprecedented COVID situation that the entire world is going through this year. For many organisations, this has created enormous amount of disruptions. However, your Company has been trying to overcome this situation with a strong internal bonding, continuous communication and focussing on opportunities that will help grow the business. As the pandemic hit us, we have ensured that we honour all the offers that were made, continue paying salaries to our employees and deploy our talent in upcountry locations which had growth potential. There were stringent COVID related safety protocols placed in our head offices and branches which helped us to commence operations as soon as the lock-down restrictions were relaxed.

As we look back, we would like to thank all employees for their support and commitment throughout the year, which has been distinct than other years in the recent past. The Industrial Relations were generally satisfactory during the financial year.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**For and on behalf of the Board
SHRIRAM CREDIT COMPANY LTD.**

Akhilesh Kumar Singh
Vice Chairman & Executive Director
DIN: 00421577

M.R.Shashibhushan
Managing Director
DIN: 00492377

Date: 20th May, 2022
Place: Chennai

Annexure 'A' to BOARD'S REPORT

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2022 are as follows:

Name of the Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount (in lakhs)
Shriram Value Services Ltd.	Fellow subsidiary Company	15/05/2019 to 30/09/2024	Royalty Expenses (artistic work on labels, letterhead, commercial literature, use of Intellectual Property)	0.89
Shriram Insight Share Brokers Ltd.	Subsidiary Company	Continuing till date	DP Charges	0.13

Appropriate approvals have been taken from the Board of Directors of the Company from time to time for the related party transactions as mentioned above.

❖ Amount paid as advances, if any: NIL

**For and on behalf of the Board
 SHRIRAM CREDIT COMPANY LTD.**

Akhilesh Kumar Singh
 Vice Chairman & Executive Director
 DIN: 00421577

M.R.Shashibhushan
 Managing Director
 DIN: 00492377

Date: 20th May, 2022
Place: Chennai

Shriram Credit Company Ltd.

Regd. Office: Shriram House, No.4, Burkit Road

T.Nagar, Chennai- 600 017

CIN: U65993TN1980PLC008215

Annexure 'B' to BOARD'S REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	PARTICULARS	DETAILS
1.	Name of the Employee	Akhilesh Kumar Singh
2.	Designation of the Employee	Vice Chairman & Executive Director
3.	Nature of Employment, whether contractual or otherwise	Contractual
4.	Qualifications & Experience of the Employee	Mr. Akhilesh Kumar Singh is a B.Tech from IIT (Kharagpur) and a PGDBM from IIM (Bangalore).
5.	Date of Commencement of the Employment	He was appointed as the Director of the Company on 5 th November, 2007.
6.	Age	59 years
7.	Last employment	<p>He had been associated with Shriram Group since 1994, starting his career as President of Shriram City Union Finance Ltd.</p> <p>During his association with the Group, he has handled responsibilities of Managing Directorship of Shriram City Union Finance Ltd. and Shriram Insight Share Brokers Ltd.</p>
8.	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5	NIL
9.	Whether any such employee is a relative of any Director or manager of the Company and if so, name of such director or manager.	None

Shriram Credit Company Ltd.

Regd. Office: Shriram House, No.4, Burkit Road

T.Nagar, Chennai- 600 017

CIN: U65993TN1980PLC008215

Annexure 'B' to BOARD'S REPORT

DETAILS OF REMUNERATION RECEIVED DURING THE YEAR NEEDS TO BE GIVEN

Sl. No.	Particulars of Remuneration for FY 2021-22	Amount in lakhs
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	112.91
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
	(e) Leave Encashment paid in FY 2021-22	-
2.	Contribution to NPS	12.55
TOTAL		125.456

Notes:

1. No employee was employed for a part of the FY 2021-22 drawing remuneration of more than rupees eight lakh and fifty thousand per month.
2. No employee drawing remuneration in excess of that drawn by the Managing Director or Whole-time Director or Manager and holding two percent of the equity shares of the Company by himself or along with his spouse and dependent children was employed throughout the FY 2021-22 or part thereof.

For and on behalf of the Board
SHRIRAM CREDIT COMPANY LTD.

Akhilesh Kumar Singh
 Vice Chairman & Executive Director
 DIN: 00421577

M.R. Shashibhushan
 Managing Director
 DIN: 00492377

Date: 20th May, 2022
Place: Chennai

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Kolkata 700 017 India
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INDEPENDENT AUDITOR'S REPORT

To the Members of Shriram Credit Company Limited

Report on the Standalone Ind AS Financial Statements

1. Opinion

We have audited the accompanying standalone Ind AS financial statements of Shriram Credit Company Limited (*"the Company"*) which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS) and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.



Offices also at
Mumbai Chennai
Bengaluru Coimbatore Hyderabad

3. Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have identified the matters described below to be the key audit matters.

- a) Going forward, substantial improvement is required in collection process by liquidating the collateral or otherwise on the five accounts declared as NPA as per IRAC norms.
- b) In view of COVID 19 pandemic, the impact on the financial statement of the company for the year ended 31.03.2022 has been fully explained in Note No.32. The company is presently not envisaging any long term impact on its financial statement.

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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 during the course of our 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.

5. Responsibilities of Management and those charged with governance for the standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS 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 Division III of Schedule III of the Act as applicable to Non-banking Financial Companies as defined in the Companies (Indian Accounting Standards) (Amendment) Rules 2016 and the accounting principles generally accepted in India,



including Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting processes.

6. Auditor's Responsibilities for the Audit of standalone Ind AS financial statement

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the standalone Ind AS financial statements is included in **Annexure A**. This description forms part of our auditor's report.

7. Other Matters

Attention is drawn to:

- a) Note No.30 regarding NPA status of the company.
- b) Note No.4 regarding investment in Shriram Wealth Limited.



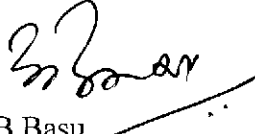
8. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (ii) 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - 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 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, as amended, 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 Ind AS financial statements.



- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K.S.Aiyar & Co.
Chartered Accountants
Firm Regn. No. 100186W


B. Basu
Partner
Membership No.: 017474

UDIN:22017474ALOBUI6685

Place: Kolkata
Date: 20-05-2022



Annexure A**Responsibilities for Audit of Standalone Ind AS Financial Statement**

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.



K. S. AIYAR & CO

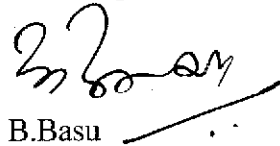
CHARTERED ACCOUNTANTS

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 Ind AS 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.

For K. S. Aiyar & Co.
Chartered Accountants
Firm Regn. No. 100186W



B. Basu
Partner
Membership No.: 017474

UDIN:22017474ALOBUI6685

Place: Kolkata
Date: 20-05-2022

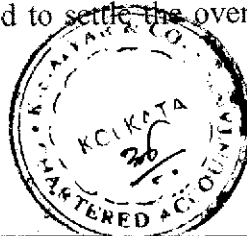


Annexure - B

Referred to in Paragraph 8 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the year ended March 31, 2022.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company does not have any Intangible assets and hence reporting under clause 3 (i)(a)(B) of the Order is not applicable.
 - (b) The Company has a program of verification of Property, Plant and Equipment so as to cover all the assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) There is no immovable property (other than property where the company is the lessee and the lease agreements are duly executed in favour of the lessee) held in the name of the company and hence reporting under clause 3 (i)(c) of the Order is not applicable.
 - (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
 - (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
 - (b) The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3 (ii)(b) of the Order is not applicable.
- iii.
 - (a) During the year the Company has provided guarantee in respect of facilities availed from Bank by its subsidiaries. The balance outstanding as at 31st March, 2022 in respect of guarantee given is Rs. 85.51 crores.
 - (b) In our opinion, the investments made and the terms and conditions of the grant of guarantees provided are, prima facie, not prejudicial to the Company's interest.
 - (c) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (d) In respect of loans granted by the Company, there is no amount overdue for more than ninety days as at the balance sheet date.
 - (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.



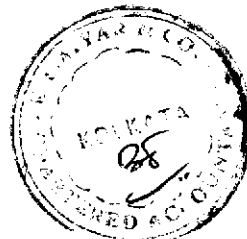
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. The Company has not given any loan to Directors during the year nor is the Company an investment company. Hence, Sec. 185 & 186 of the Companies Act, 2013 is not applicable to the Company.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence reporting under clause 3 (v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the company. Hence reporting under clause 3(vi) of the Order is not applicable.
- vii. In respect of statutory dues:
- (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs.)
Income Tax Act, 1961	Income Tax Demand	Jurisdiction Assessing Officer	AY 2010-11	93,280
Income Tax Act, 1961	Income Tax Demand	ITAT	AY 2012-13	53,608
Income Tax Act, 1961	Income Tax Demand	ITAT	AY 2014-15	2,45,93,000
Income Tax Act, 1961	Income Tax Demand	ITAT	AY 2015-16	45,58,531
Income Tax Act, 1961	Income Tax Demand	ITAT	AY 2017-18	31,99,100

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence reporting under clause 3(ix)(c) of the Order is not applicable.

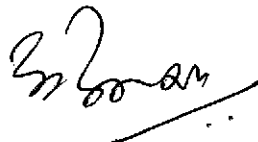


- (d) The Company has not raised any funds and hence reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the company or any fraud on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- (c) The Company does not have a whistle blower policy and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with sections 177 and 188 of Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934)
- (b) The company has conducted Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3(xvi)(c) of the Order is not applicable.



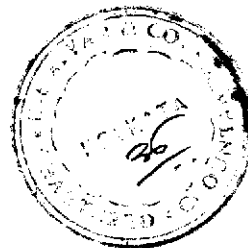
- (d) The Group has no CIC as part of the Group and hence reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. The conditions of Sec. 135(1) of the Companies Act, 2013 is not applicable to the Company and hence reporting under clause 3(xx) of the Order is not applicable.

For K.S.Aiyar & Co.
Chartered Accountants
Firm Regn. No. 100186W



B. Basu
Partner
Membership No.: 017474

UDIN: 22017474ALOBUI6685
Place: Kolkata
Date: 20-05-2022



Annexure – C

Referred to in Paragraph 8 (f) under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of the Company for the year ended March 31, 2022

We have audited the internal financial controls over financial reporting of Shriram Credit Company Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

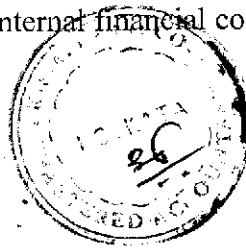
The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

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

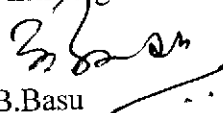
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

Subject to our observations in Key Audit Matters, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.S.Aiyar & Co.
Chartered Accountants
Firm Regn. No. 100186W


B. Basu
Partner
Membership No.: 017474



UDIN: 22017474ALOBUI6685

Place: Kolkata
Date: 20-05-2022

SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

1. Corporate Information

Shriram Credit Company Limited ("the company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is a Non Deposit Systemically Important company registered with the Reserve Bank of India.

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).

3. Presentation of financial statement

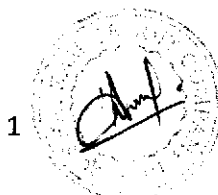
The financial statements of the Company are presented in Schedule III format of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional 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.



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5. Significant accounting policies

5.1 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:

- ▶ 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.

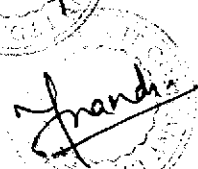
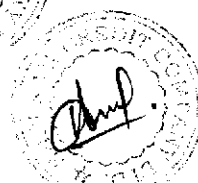
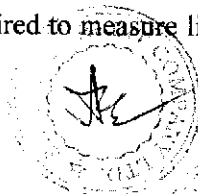
The Solely Payments of Principal and Interest (SPPI) test

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.



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(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:

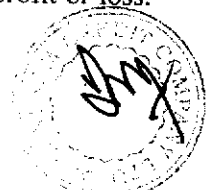
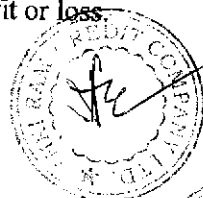
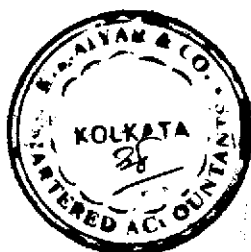
- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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.

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.



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(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.

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

Financial instruments held for trading

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

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

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

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

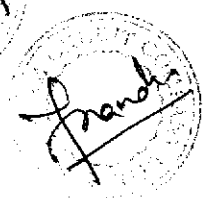
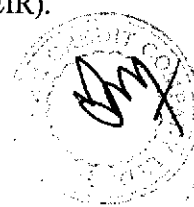
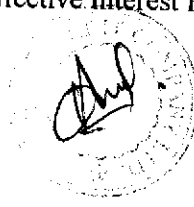
A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

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

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

(v) 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).



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(vi) Financial guarantees

Financial guarantees are initially recognised in the financial statements (within Provisions) 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.

(vii) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2017-18 and until the year ended March 31, 2022.

(viii) Recognition and De-recognition 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.

De-recognition 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 de-recognition 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 de-recognition. 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.

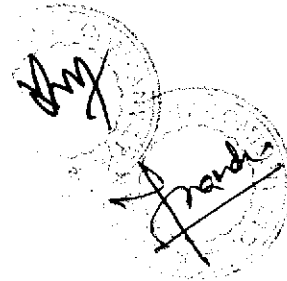
De-recognition of financial assets other than due to substantial modification

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 de-recognition.

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



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Notes forming part of Financial Statements

- 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 de-recognition 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.

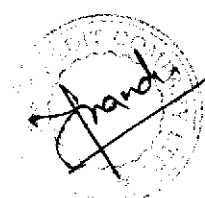
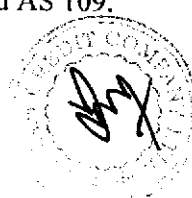
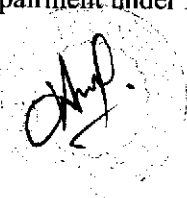
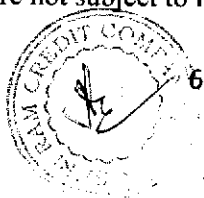
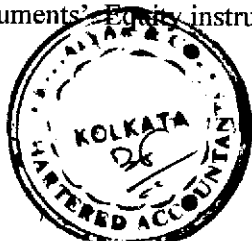
b) Financial liabilities

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 de-recognition 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.

(ix) 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.



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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 Loans, Secured loans against Shares and Property.

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 classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

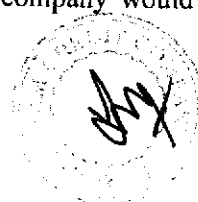
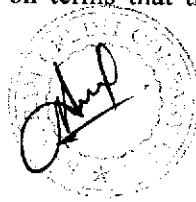
All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated 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.

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;



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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.

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.

Exposure at Default (EAD)- The Exposure at Default is an estimate of the exposure at a future default date.

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.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments/ natural calamities occurring in the market it operates in. 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 trends/events reasonably.

If an event warrants a provision higher than as mandated under ECL methodology, the Company may make the same.

(x) Write-offs

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



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Notes forming part of Financial Statements

(xi) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value.

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

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

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

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

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

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

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

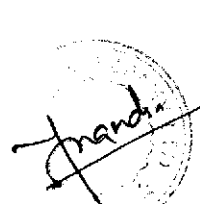
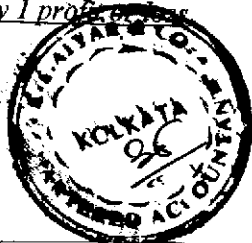
Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities 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.

Day 1 profit



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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.

5.2 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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(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

Step 2: Identify performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

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 – 17), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases where 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.

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

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL presented separately under the respective head in the Statement of Profit and Loss.

5.3 Expenses

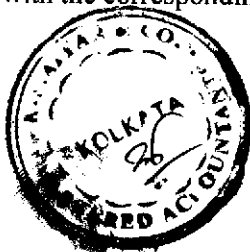
(i) Finance costs

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

The EIR in case of a financial liability is computed

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



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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 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

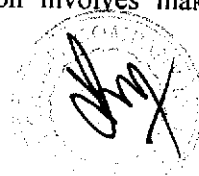
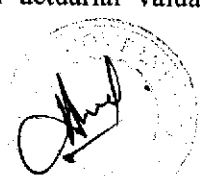
All the employees of the Company are entitled to receive benefits under the Provident Fund Scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises 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



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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 at each reporting date.

The Company fully contributes all ascertained liabilities to The Trustees - Shriram Credit Company Ltd Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with Life Insurance Corporation of India, the IRDA approved Insurance Company.

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

Other long-term employee benefits

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

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 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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.

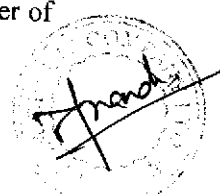
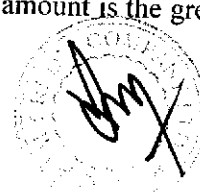
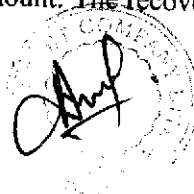
Leases that do not transfer to the Company substantially all of risks and benefits incidental to ownership of the leased items are operating leases.

(iv) Other income and expenses

All Other income and expense are recognized in the period they accrue.

(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



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Notes forming part of Financial Statements

the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

(vi) Taxes

Current Tax

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

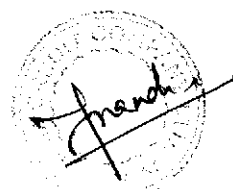
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates 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.



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Notes forming part of Financial Statements

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.

5.4 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 year-end, are translated at the year-end 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.



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

5.5 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.

5.6 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 commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using straight line basis ('SLM') method using the rates arrived at based on the useful lives of the assets as prescribed in the Schedule II to the Companies Act, 2013, except furniture and fittings of group office assets, for which useful life is considered as 9 years. Management has re-assessed the useful lives of the Property, plant and equipment and on the basis of technical evaluation, management is of the view that useful lives used by management, as above, are indicative of the estimated economic useful lives of the Property, plant and equipment. In respect of additions to Property, plant and equipment, depreciation has been charged on pro rata basis.

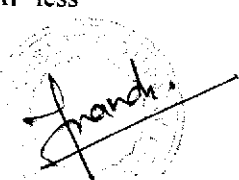
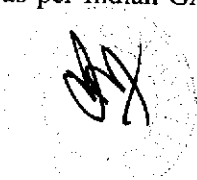
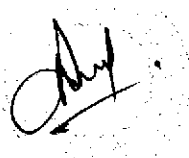
5.7 Intangible assets

Intangible assets being Computer Software acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less amortization and impairment losses. It is amortized on straight line basis over the estimated useful life which is presumed to be five years at present.

For transition to Ind AS, the Company has elected to continue with carrying value of all its intangible assets recognised as of 1 April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

5.8 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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

accumulated depreciation and cumulative impairment (if any) as on the transition date of April 1, 2017.

Investment properties (other than land) are depreciated using WDV method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation by management.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its investment properties recognised as at 1st April 2017, measured as per previous GAAP and use that carrying value as the deemed cost of investment properties.

5.9 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.

5.10 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.

5.11 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.



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

6. 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:

6.1 Business Model Assessment

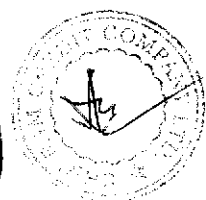
Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes 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.

6.2 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 at each reporting date.

6.3 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.



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

6.4 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.

6.5 Contingent liabilities and provisions other than impairment on loan portfolio

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

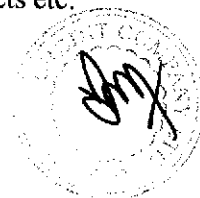
6.6 Effective Interest Rate (EIR) method

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

6.7 Other estimates:

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



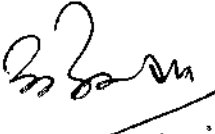
SHRIRAM CREDIT COMPANY LIMITED
 Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
 CIN : U65993TN1980PLC008215
 Standalone Balance Sheet as on 31st Mar 2022

	Particulars	Note No.	Amount (In Rs.)	Amount (In Rs.)
			As on 31st Mar 2022	As on 31st Mar 2021
I ASSETS				
(1)	Financial Assets			
	(a) Cash and Cash Equivalents	2	7,202,349	4,530,453
	(b) Loans	3	228,232,406	241,332,890
	(c) Investments	4	1,185,277,979	1,191,841,181
	(d) Other Financial Assets		2,100,047	35,704,772
			1,422,812,781	1,473,409,296
(2)	Non Financial Assets			
	(a) Current Tax Assets (Net)	5	13,703,589	15,521,629
	(b) Deferred Tax Assets (Net)	6	3,825,652	3,060,094
	(c) Property, Plant & Equipment	7	197,814,422	199,581,297
	(d) Capital Work - in - Progress		708,000	708,000
	(e) Other Non- Financial Assets	8	4,573,463	1,775,058
			220,625,126	220,646,078
	Total Assets		1,643,437,906	1,694,055,374
II LIABILITIES AND EQUITY				
(1)	LIABILITIES			
	Financial Liabilities			
	(a) Payables			
	(i) Trade Payables			
	(i) Total outstanding dues of creditors other than micro enterprises and small enterprises	9	109,327	97,174
	Borrowings		160,000,002	201,385,092
	(b) Subordinated Liability	13 (b)	240,000,000	240,000,000
	(c) Other Financial Liabilities	10	433,008	1,114,393
			400,542,337	442,596,659
(2)	Non Financial Liabilities			
	(a) Provisions	11	1,182,321	4,046,722
	(b) Other Non- Financial Liabilities	12	23,195,235	29,642,296
(3)	EQUITY			
	(a) Share Capital	13 (a)	240,631,290	240,631,290
	(b) Other Equity	14	977,886,723	977,138,408
			1,242,895,569	1,251,458,715
	Total Liability & Equity		1,643,437,906	1,694,055,374

The notes referred to above form an integral part of the financial statements

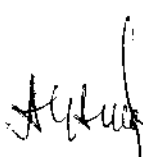
As per our report of even date
 For K.S.Aiyar & Co.
 Chartered Accountants
 Firm Regn No. 100186W

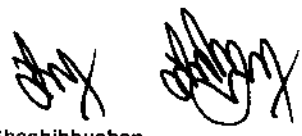
For and on behalf of the Board of Directors of
 Shriram Credit Company Limited


B. Basu
 Partner


Membership No. 017474
 UDIN - 22017474ALOBVI6685




Akhilesh Kumar Singh
 Vice Chairman
 DIN: 00421577


M R Shashibhushan
 Managing Director
 DIN : 00492377


Adbhut Shankar Pathak
 Chief Financial Officer


Trina Nandi
 Company Secretary

Place : Kolkata
 Date: 20.05.2022

Place : Chennai
 Date: 20.05.2022

SHRIRAM CREDIT COMPANY LIMITED
 Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
 CIN : U65993TN1980PLC008215
Standalone Statement of Profit and Loss for the year ended 31st Mar 2022

	Particulars	Note	Amount (in Rs.)	Amount (in Rs.)
			For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
	Revenue From Operations			
	(i) Interest Income	15	36,215,153	39,533,007
	(ii) Dividend Income	16	-	2,285,897
	(iii) Net Gain on Fair value changes	17	(6,236,676)	2,198,328
	(iv) Others	18	19,191,457	6,359,407
(I)	Total Revenue from Operations		49,169,934	50,376,639
(II)	Other Income		-	-
(III)	Total Income (I+II)		49,169,934	50,376,639
	Expenses			
	(i) Employee Benefits Expenses	19	20,603,090	16,714,868
	(ii) Depreciation, amortization and Impairment	7	2,215,099	2,146,130
	(iii) Finance Cost	20.1	15,842,603	8,561,918
	(iv) Other Expenses	20.2	5,797,900	7,389,848
	(v) Provisions and Write offs	21	3,825,873	4,693,552
(IV)	Total Expenses (IV)		48,284,565	39,506,316
(V)	Profit/(loss) before exceptional items and tax (III-IV)		885,369	10,870,322
(VI)	Exceptional items		-	-
(VII)	Profit/(loss) before tax (V-VI)		885,369	10,870,322
(VIII)	Tax Expenses			
	(a) Current Tax		903,338	2,413,259
	(b) Deferred Tax		(765,558)	(610,898)
	(c) Earlier Year Tax		-	-
	Total Tax Expenses		137,780	1,802,361
(IX)	Profit/(Loss) for the period from continuing operations (VII-VIII)		747,589	9,067,961
(X)	Other Comprehensive Income			
	(i) Items that will not be reclassified in Profit or Loss - Remeasurement defined employee benefit plan		935	1,496.00
	(ii) Income tax relating to items that will not be reclassified to Profit & Loss		(208)	(416)
(XI)	Total Comprehensive Income for the year		748,316	9,069,041
(XII)	Earning per Equity Share (for Continuing operations)			
	(1) Basic (in ₹.)		0.03	0.38
	(2) Diluted (in ₹.)		0.03	0.38
The notes referred to above form an integral part of the financial statements				

As per our report of even date
 For K.S.Aiyar & Co.
 Chartered Accountants
 Firm Regn No. 100186W

B. Basu
 Partner
 Membership No. 017474
 UDIN-
 22017474ALOBUI6685



For and on behalf of the Board of Directors of
 Shriram Credit Company Limited

Akhilesh Kumar Singh
 Vice Chairman
 DIN: 00421577

M R Shashibhushan
 Managing Director
 DIN : 00492377

Abhuth Shankar Pathak
 Chief Financial Officer

Trina Nandi
 Company Secretary

Place : Kolkata
 Date: 20.05.2022

Place : Chennai
 Date: 20.05.2022

SHRIRAM CREDIT COMPANY LIMITED
Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
CIN : U65993TN1980PLC008215
Standalone Cash Flow Statement for the period ended 31st Mar 2022

Amount in Rs.

Particulars	As on 31st Mar 2022	As on 31st Mar 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	885,369	10,870,322
Other Comprehensive Income	727	1,080
Dividend Income	-	(2,285,897)
Interest Income on NCD	-	-
Provisions & Write offs	(2,929,402)	(551,275)
Profit on sale of current investments	(8,086,201)	(6,089,839)
Depreciation	2,215,099	2,146,130
Unrealized Profit on MF	6,236,676	(2,198,328)
Operating profit before change in working capital	(1,677,732)	1,892,193
Movements in Working Capital:		
Decrease / (Increase) in Loans	13,100,484	3,673,732
Decrease / (Increase) in Other current assets	30,806,320	(19,199,757)
Increase / (Decrease) in Trade Payables	12,153	(3,871,549)
Increase / (Decrease) in Other current liabilities	(7,128,446)	29,217,228
Increase / (Decrease) in Provisions	65,001	204,882
Net cash from / (used in) operating activities	35,177,780	11,916,728
Direct taxes paid	914,701	(932,583)
Net Cash from / (used in) operating activities	36,092,480	10,984,145
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Subsidiaries	-	-
Net sale / Purchase of Investments	8,412,728	(453,074,559)
Interest Received on NCD	-	-
Net sale / Purchase of Fixed Assets	(448,223)	-
Dividend Received	-	2,285,897
Net Cash from / (used in) investing activities	7,964,505	(450,788,662)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured borrowings (net)	(41,385,090)	201,385,092
RNCPS	-	240,000,000
Interest paid	-	-
Net Cash from / (used in) Financing activities	(41,385,090)	441,385,092
Total Increase/(decrease) in cash and cash equivalents (A+B+C)	2,671,897	1,580,575
Cash and Cash equivalents as at the beginning of the year	4,530,452	2,949,877
Cash and Cash equivalents at the end of the year	7,202,349	4,530,453
D Components of Cash and Cash Equivalents		
Cash and Cash Equivalents at the end of the period		
i) Cash on hand	100,338	128,084
iii) Balances with scheduled banks in Current accounts	7,102,011	4,402,369
Total cash and cash equivalents (Note 2)	7,202,349	4,530,453

As per our report of even date
For K.S.Alyar & Co.
Chartered Accountants
Firm Regn No. 100186W

B. Basu
Partner
Membership No. 017474
UDIN - 22017474ALOBUI6685



For and on behalf of the Board of Directors of
Shriram Credit Company Limited

Akhilesh Kumar Singh
Vice Chairman
DIN : 00421577

Adbhut Shankar Pathak
Chief Financial Officer

M R Shashibhushan
Managing Director
DIN : 00492377

Trina Nandi
Company Secretary

Place : Kolkata
Date: 20.05.2022

Place : Chennai
Date: 20.05.2022

SHIRAM CREDIT COMPANY LIMITED
 Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
 CIN : U65993TN1980PLC008215
 Statement of Changes in Equity for the period ended 31st Mar 2022

A. Equity Share Capital

Particulars	Amount in Rs.
Balance as at 1st April 2021	240,631,290
Changes in equity share capital during the Period	-
Balance as at 31st Mar 2022	240,631,290

Particulars	Amount in Rs.
Balance as at 1st April 2020	240,631,290
Changes in equity share capital during the year	-
Balance as at 31st Mar 2021	240,631,290

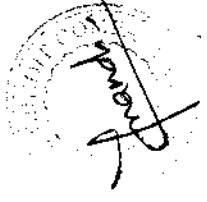
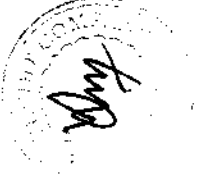
B. Other Equity

As on 31st Mar 2022

Particulars	Reserves and Surplus				Total
	Capital Reserve	Statutory Reserve	Securities Premium Reserve	General Reserve	Retained Earnings
Balance as at 1st April 2021	2,500,000	95,598,784	733,652,590	1,527,107	143,859,926
Transfer for the period ended 31st Mar 2022	-	149,663	-	-	(149,663)
Total Comprehensive Income for the period ended 31st Mar 2022	-	-	-	-	748,316
Adjustment against Retained Earnings	-	-	-	-	-
Balance as at 31st Mar 2022	2,500,000	95,748,447	733,652,590	1,527,107	144,458,579
					977,886,723

As on 31st Mar 2021

Particulars	Reserves and Surplus				Total
	Capital Reserve	Statutory Reserve	Securities Premium Reserve	General Reserve	Retained Earnings
Balance as at 1st April 2020	2,500,000	93,784,976	733,652,590	1,527,107	136,604,692
Transfer for the period ended 31st Mar 2021	-	1,813,808	-	-	(1,813,808)
Total Comprehensive Income for the period ended 31st Mar 2021	-	-	-	-	9,069,041
Adjustment against Retained Earnings	-	-	-	-	-
Balance as at 31st Mar 2021	2,500,000	95,598,784	733,652,590	1,527,107	143,859,926
					977,138,407

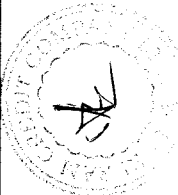
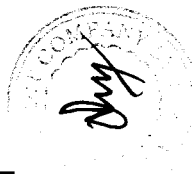
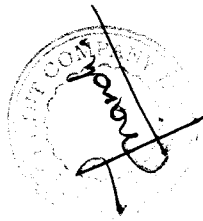


SHKIRAM CREDIT COMPANY LIMITED

3. Loans

Amount in Rs.

Loans	As on 31st Mar 2022			As on 31st Mar 2021		
	Fair Value through Profit & Loss Account	Amortized Cost	Total	Fair Value through Profit & Loss Account	Amortized Cost	Total
(A)						
(i) Bills Purchased and Bills Discounted	-	-	-	-	-	-
(ii) Loan Repayable on Demand	-	228,218,711	228,218,711	-	241,281,890	241,281,890
(iii) Others	-	-	-	-	-	-
- Loans and Advances to subsidiaries	-	-	-	-	-	-
- Advances recoverable in Cash or kind	-	13,695	13,695	-	51,000	51,000
Total (A)- Gross	-	228,232,406	228,232,406	-	241,332,890	241,332,890
Less: Impairment Loss Allowance	-	-	-	-	-	-
Total (A)- Net	-	228,232,406	228,232,406	-	241,332,890	241,332,890
(B)						
(i) Secured by Tangible Assets						
- Performing Assets		227,044,185	227,044,185	-	230,188,163	230,188,163
- Non Performing Assets	-	-	-	-	9,719,936	9,719,936
(ii) Secured by Intangible Assets	-	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	-	-	-	-	-	-
- Loans and Advances to Borrowers (other than related Party)	-	-	-	-	-	-
- Performing Assets	-	1,174,526	1,174,526	-	1,373,791	1,373,791
- Non Performing Assets	-	-	-	-	-	-
- Loans and Advances to subsidiaries	-	-	-	-	-	-
- Performing Assets*	-	-	-	-	-	-
- Non Performing Assets	-	-	-	-	-	-
- Advances recoverable in Cash or kind	-	13,695	13,695	-	51,000	51,000
Total (B)- Gross	-	228,232,406	228,232,406	-	241,332,890	241,332,890
Less: Impairment Loss Allowance	-	-	-	-	-	-
Total (B)- Net	-	228,232,406	228,232,406	-	241,332,890	241,332,890
(C)						
(i) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
- Private Sector	-	228,232,406	228,232,406	-	241,332,890	241,332,890
Total (C) (i)- Gross	-	228,232,406	228,232,406	-	241,332,890	241,332,890
Less: Impairment Loss Allowances	-	-	-	-	-	-
Total (C) (i) - Net	-	228,232,406	228,232,406	-	241,332,890	241,332,890
(ii) Loans Outside India	-	-	-	-	-	-
Total (C) (ii)- Gross	-	-	-	-	-	-
Less: Impairment Loss Allowances	-	-	-	-	-	-
Total (C) (ii) - Net	-	-	-	-	-	-
Total (C) (i) and C(ii)	-	228,232,406	228,232,406	-	241,332,890	241,332,890



SHIRAM CREDIT COMPANY LIMITED

4. Investments

Amount in Rs.

Investments	As on 31st Mar 2022			As on 31st Mar 2021		
	Fair Value through Profit & Loss Account	Amortised at Cost	Total	Fair Value through Profit & Loss Account	Amortised at Cost	Total
Investments						
(A)						
(i) Mutual funds (Current Investment)	-	-	-	-	-	-
IDFC Daily Dividend	-	-	-	-	-	-
Shriram Hybrid Equity Fund	-	-	-	-	-	-
ICICI Prudential Fund	1,273,134	-	1,273,134	11,803,473	-	11,803,473
Invesco Mutual funds	-	-	-	9,206,331	-	9,206,331
(ii) Debt Securities (Current Investment)	-	-	-	-	-	-
(iii) Equity Instruments (Non Current Investment)	-	-	-	-	-	-
- Unquoted at cost						
Shriram Fortune Solutions Limited	-	90,000,000	90,000,000	-	90,000,000	90,000,000
Shriram Insight Share Brokers Limited	-	165,079,500	165,079,500	-	165,079,500	165,079,500
SEA Funds Management India Private Limited	-	15,293,092	15,293,092	-	15,293,092	15,293,092
Way 2 Wealth Securities Private Limited	-	649,144,720	649,144,720	-	625,770,629	625,770,629
Adjustment Against Purchase consideration	-	(1,201,207)	(1,201,207)	-	-	-
Stamp Duty towards Acquisition of CCPS**	-	1,000,583	1,000,583	-	-	-
Shriram Financial Product Solutions (Chennai) P Ltd	-	1,000,000	1,000,000	-	1,000,000	1,000,000
Shriram Seva Sankalp Foundation	-	140,000	140,000	-	140,000	140,000
Shriram Wealth Limited *	29,999,400	-	29,999,400	29,999,400	-	29,999,400
Less: Diminution in value of investments	(23,999,399)	-	(23,999,399)	(23,999,399)	-	(23,999,399)
- Quoted at cost						
Shriram Asset Management Company Limited	-	67,548,156	67,548,156	-	67,548,156	67,548,156
(iv) Other Investments (Non Current Investment)						
Investments in Redeemable Non Convertible Pref. Shares	-	190,000,000	190,000,000	-	200,000,000	200,000,000
Total (A)- Gross	7,273,135	1,178,004,843	1,185,277,979	27,009,805	1,164,831,376	1,191,841,181
(B)						
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	7,273,135	1,178,004,843	1,185,277,979	27,009,805	1,164,831,376	1,191,841,181
Total (B)- Gross	7,273,135	1,178,004,843	1,185,277,979	27,009,805	1,164,831,376	1,191,841,181
Total (A) to be tallied with (B)						
Less: Allowances for Impairment Loss (C)	-	-	-	-	-	-
Total- Net D= (A)-(C)	7,273,135	1,178,004,843	1,185,277,979	27,009,805	1,164,831,376	1,191,841,181

* The management has already initiated the strategic restructuring of the entire business of the investee company including its operation and Capital Structure. Substantial progress has already been made in this regard during the period. The management is therefore not contemplating permanent cessation of business and hence continuing to treat the company as a going concern.

** CCPS stands for Compulsorily Convertible Preference Shares



SHRIRAM CREDIT COMPANY LIMITED

7. Property Plant & Equipment

Amount in Rs.

Particulars	Property, Plant and Equipment				Intangible Assets
	Computer and Equipment	Office Equipment	Leasehold Land	Total Property, Plant and Equipment	Intangible Assets
Gross Block					
As at Apr 01, 2021	39,094	16,999	212,455,298	212,511,391	-
Additions	448,223	-	-	448,223	-
Deletions	-	-	-	-	-
As at Mar 31, 2022	487,317	16,999	212,455,298	212,959,614	-
Depreciation					
As at Apr 01, 2021	38,216	15,799	12,876,078	12,930,093	-
Charge for the Period	69,086	-	2,146,013	2,215,099	-
Deletions	-	-	-	-	-
As at Mar 31, 2022	107,302	15,799	15,022,091	15,145,192	-
Net Block					
As at Apr 01, 2021	878	1,200	199,579,220	199,581,298	-
As at Mar 31, 2022	380,015	1,200	197,433,207	197,814,422	-

Depreciation and amortization	Year ended	
	Mar 31, 2022	Mar 31, 2021
On tangible assets	2,215,099	2,146,130
On intangible assets	-	-
Total	2,215,099	2,146,130



SHRIRAM CREDIT COMPANY LIMITED
NOTES TO ACCOUNTS
2. Cash and Cash Equivalents

Amount in Rs.

Particulars	As on 31st Mar 2022	As on 31st Mar 2021
Cash and cash equivalents		
i. Cash on Hand	100,338	128,084
ii. Balance with Scheduled banks in current account(s)	7,102,011	4,402,369
	7,202,349	4,530,453

5. Current tax assets (Net)

Particulars	As on 31st Mar 2022	As on 31st Mar 2021
Advance Income Tax (Net of Provisions)	13,703,589	15,521,629
	13,703,589	15,521,629

6. Deferred Tax Assets (Net)

Particulars	As on 31st Mar 2022	As on 31st Mar 2021
Opening balance	3,060,094	2,449,196
Add: Asset recognized during the period	765,558	610,898
Closing balance	3,825,652	3,060,094

8. Other Non Financial Assets

Particulars	As on 31st Mar 2022	As on 31st Mar 2021
Others	4,573,463	1,775,058
-Less: Non recoverable advances	-	-
	4,573,463	1,775,058

9. Trade Payables

Particulars	As on 31st Mar 2022	As on 31st Mar 2021
Sundry Creditor		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	109,327	97,174
	109,327	97,174

10. Other Financial Liabilities

Particulars	As on 31st Mar 2022	As on 31st Mar 2021
TDS Payable	433,008	558,777
Interest Payable	-	555,616
	433,008	1,114,393

11. Provisions

Particulars	As on 31st Mar 2022	As on 31st Mar 2021
Provision on Standard asset	912,438	925,859
Provision for NPA	-	2,915,981
Provision for Gratuity	170,188	144,311
Provision for Leave Encashment	99,695	60,571
	1,182,321	4,046,722

12. Other non financial Liabilities

Particulars	As on 31st Mar 2022	As on 31st Mar 2021
Other payables	23,195,235	29,642,296
	23,195,235	29,642,296



SHRIRAM CREDIT COMPANY LIMITED

13.(a) Share Capital

Particulars	As on 31st Mar 2022		As on 31st Mar 2021	
	No. of Shares	Rs.	No. of Shares	Rs.
Authorised Share Capital:				
Equity shares of Rs.10/- each	25,000,000	250,000,000	25,000,000	250,000,000
Compulsorily Convertible Preference Shares of Rs. 10/- each	4,000,000	40,000,000	4,000,000	40,000,000
	25,000,000	250,000,000	29,000,000	290,000,000
Issued, subscribed and paid up capital:				
Equity share of Rs. 10/- each	24,063,129	240,631,290	24,063,129	240,631,290
Terms/rights attached to share holders 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. 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 share holders.				
a) Reconciliation of number of equity shares and equity share capital				
Particulars	As on 31st Mar 2022		As on 31st Mar 2021	
	Number	Amount (Rs)	Number	Amount (Rs)
Balance as at the beginning of the year	24,063,129	240,631,290	24,063,129	240,631,290
Increase/Decrease	-	-	-	-
Balance as at the end of the year	24,063,129	240,631,290	24,063,129	240,631,290
b) Details of shares held by holding company or its ultimate holding company including shares held by subsidiary or associates of holding company or the ultimate holding company				
Name of Shareholder	As on 31st Mar 2022		As on 31st Mar 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	24,061,889	99.99%	23,977,269	99.64%
c) Details of shareholders holding more than 5% of the aggregate shares in the Company:				
Name of Shareholder	As on 31st Mar 2022		As on 31st Mar 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited (Holding Company)	24,061,889	99.99%	23,977,269	99.64%

13.(b) Subordinated Liability

Particulars	As on 31st Mar 2022		As on 31st Mar 2021	
	No. of Shares	Rs.	No. of Shares	Rs.
Authorised Preference Shares:				
6.5% Non - Convertible Cumulative Redeemable Preference Shares (Tenure 10 years)	25,000,000	250,000,000	25,000,000	250,000,000
	25,000,000	250,000,000	25,000,000	250,000,000
Issued, subscribed and paid up capital:				
Preference share of Rs. 10/- each	24,000,000	240,000,000	24,000,000	240,000,000
a) Reconciliation of number of Preference shares				
Particulars	As on 31st Mar 2022		As on 31st Mar 2021	
	Number	Amount (Rs)	Number	Amount (Rs)
Balance as at the beginning of the year	24,000,000	240,000,000	24,000,000	240,000,000
Increase/Decrease	-	-	-	-
Balance as at the end of the year	24,000,000	240,000,000	24,000,000	240,000,000
b) Details of shares held by holding company or its ultimate holding company including shares held by subsidiary or associates of holding company or the ultimate holding company				
Name of Shareholder	As on 31st Mar 2022		As on 31st Mar 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	24,000,000	100.00%	24,000,000	1.00
c) Details of shareholders holding more than 5% of the aggregate shares in the Company:				
Name of Shareholder	As on 31st Mar 2022		As on 31st Mar 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited (Holding Company)	24,000,000	100.00%	24,000,000	100%

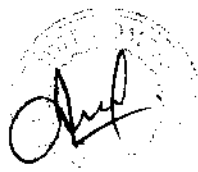


SHRIRAM CREDIT COMPANY LIMITED

14. Other Equity

Amount in Rs.

Particulars	As on 31st Mar 2022	As on 31st Mar 2021
A. Capital Reserve	2,500,000	2,500,000
B. Statutory Reserve - at the beginning	95,598,784	93,784,976
Add: Transfer during the period	149,663	1,813,808
Statutory Reserve - at the end	95,748,447	95,598,784
C. Securities Premium Reserve - at the beginning	733,652,590	733,652,590
Add: Receipts during the period	-	-
Securities Premium Reserve - at the end	733,652,590	733,652,590
D. General Reserve	1,527,107	1,527,107
E. Surplus - At the beginning	143,859,926	136,604,693
a. IND AS Adjustment	-	-
b. Non adjustable old service tax input credit	-	-
c. Profit after tax transferred from Statement of Profit and Loss	748,316	9,069,041
d. Appropriations		
i. Transfer to Statutory Reserve	(149,663)	(1,813,808)
ii. Dividend Paid	-	-
Surplus - Balance at the end of the period	144,458,579	143,859,926
F. Total Reserves and Surplus (A+B+C+D+E)	977,886,723	977,138,408

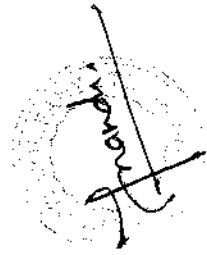


SHIRAM CREDIT COMPANY LIMITED

15. Interest Income

Amount in Rs.

Particulars	For the year ended Mar 31, 2022				For the year ended Mar 31, 2021			Amount in Rs
	Interest Income on Financial Assets Classified at fair value through Profit or Loss	On Financial Assets measured at Amortized Cost	On Financial Assets measured at fair value through OCI	Interest Income on Financial Assets Classified at fair value through Profit or Loss	On Financial Assets measured at Amortized Cost	On Financial Assets measured at fair value through OCI		
Interest On Loans	36,215,153	-	-	38,620,712	-	-	-	
Interest Income from Investments	-	-	-	-	-	-	-	
Other Interest Income From Subsidiary	-	-	-	912,295	-	-	-	
Total	36,215,153	-	-	39,533,007	-	-	-	



SHRIRAM CREDIT COMPANY LIMITED

16. Dividend Income

Amount in Rs.

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Dividend on Mutual Funds	-	2,285,897
Total	-	2,285,897

17. Net Gain on Fair value changes

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Net Gain/(Loss) on financial instrument at Fair Value through profit & loss	(6,236,676)	2,198,328
Total	(6,236,676)	2,198,328

18. Other Income

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Interest on Income Tax Refund	-	98,760
Infra Support Services	11,000,000	-
Profit on sale of Investments (net)	8,086,201	6,089,839
Recovery from Drs. Previously written off as bad	45,512	50,791
Misc Income	59,743	-
Liability no longer required	-	120,017
Total	19,191,457	6,359,407

19. Employee Benefits Expenses

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Salary & Wages	20,583,620	16,423,682
Contribution to Provident and other funds	72,352	85,224
Provision for Gratuity	(92,006)	145,391
Liability for Leave Encashment	39,124	60,571
Total	20,603,090	16,714,868

20.1 Finance Cost

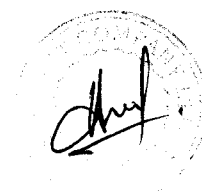
Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Interest On Loan From SISBL	15,842,603	6,632,329
Interest On SVSL	-	1,373,973
Interest On Subordinated Liability	-	555,616
Total	15,842,603	8,561,918

20.2 Other expenses

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Payment to Auditor		
Statutory Audit Fees	451,500	446,125
Tax Audit Fees	73,500	72,625
Reimbursement of Expenses	2,675	4,765
Total Payment to Auditor	527,675	523,515
Legal Fees	376,503	31,220
Professional charges	2,801,000	2,617,642
Rental charges	-	-
Lease Rent	487,500	487,500
Directors Sitting Fees	490,000	347,000
Consultation Charges	-	-
Travelling Expenses	105,282	202,900
Meeting Expenses	2,129	3,135
Processing Fee	2,980	1,662,800
Interest on Statutory Dues	-	-
Internal Audit Fees	60,000	60,000
Royalty charges	88,542	1,087,032
Other expenses	856,288	367,105
Total	5,797,900	7,389,848

21. Provisions and write offs

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Provision for Standard assets	(13,421)	78,470
Provision for NPA	(2,915,981)	(629,745)
Bad Debts written off	6,755,275	5,244,827
Total	3,825,873	4,693,552



Handwritten signature

Shriram Credit Company Limited

Related Parties:

List of Related parties	Relationship
Shriram Ownership Trust	Enterprises having Significant influence
Shriwell Trust	
Shriram Financial Ventures (Chennai) Private Limited	Ultimate holding company
Shriram Capital Limited	Holding Company
Shriram Asset Management Company Limited	Subsidiaries
Shriram Financial Products Solutions (Chennai) Pvt Limited	
Shriram Fortune Solutions Limited	
Shriram Insight Share Brokers Limited	
Shriram Wealth Limited (Formerly known as Shriram Wealth Advisors Ltd.)	
SEA Funds Management India Private Limited	
Way2Wealth Securities Private Limited	
Insight Commodities and Futures Private Limited	Step-down Subsidiaries
Way2Wealth Brokers Private Limited	
Way2Wealth Commodities Private Limited	
Shriram City Union Finance Limited	Associates of Holding Company
Shriram Housing Finance Limited	
Shriram Transport Finance Co. Ltd	
Armour Insurance Services WLL, Bahrain	Fellow Subsidiaries
Bharath Investments Pte. Ltd., Singapore	
Shriram Life Insurance Company Ltd.	
Shriram General Insurance Company Ltd.	
Shriram Value Services Limited	
Shriram Overseas Investments Private Limited	
Shriram Investment Holdings Limited#	
SGI Philippines General Insurance Co. Inc.	
Novac Digital Services Private Limited (Formerly known as Techfactory Services Private Limited)	
Shriram LI Holdings Private Limited (Formerly known as Snottor Technology Services Private Limited)	
Way2Wealth Insurance Brokers Private Limited	
Shriram GI Holdings Pvt Ltd (Formerly known as Oner Infotech Services Pvt Ltd)	
Novac Technology Solutions Private Limited	Step-down Subsidiary of Holding Company
Mr. Akhilesh Kumar Singh	Vice-Chairman
Mr. M.R.Shashibhushan	Managing Director
Mr. Adbhut Shankar Pathak	Chief Financial Officer
Ms. Trina Nandi	Company Secretary

#Shriram Investment Holdings Limited has become subsidiary of Shriram Capital Limited w.e.f 11.10.2021



SHRIRAM CREDIT COMPANY LIMITED

22 In the opinion of Board of Directors, in the ordinary course of business, Current Assets, Loan & Advances have a value on realization at least equal to the amount at which they are stated.

23 Related Party Disclosure:
Transactions with Related Parties:

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary	Other Person having significant influence / KMP	Amount in Rs.	
					Total	
Interest Cost						15,842,603
Shriram Insight Share Brokers Limited		15,842,603				-
Shriram Value Services Ltd.						-
Shriram Capital Limited						
Debit Balance outstanding as on 31.03.2022						
Shriram Insight Share Brokers Limited						2,100,047
Shriram Wealth Advisers Limited		2,100,047				-
Shriram Assets Management Company Limited				516,059		516,059
Loan to CFO						
Credit Balance outstanding as on 31.03.2022						
Shriram Financial Product Solutions (Chennai) Private Limited						160,000,002
Shriram Insight Share Brokers Limited		160,000,002				240,000,000
Shriram Capital Limited	240,000,000					
Investments in Subsidiaries						
Shriram Fortune Solutions Limited		90,000,000				90,000,000
Shriram Wealth Advisers Limited		6,000,001				6,000,001
SEA Funds Management India Private Limited		15,293,092				15,293,092
Way 2 Wealth Securities Private Limited		649,144,720				649,144,720
Shriram Assets Management Company Limited		257,548,156				257,548,156
Shriram Insight Share Brokers Limited		165,079,500				165,079,500
Shriram Financial Product Solutions (Chennai) Private Limited		1,000,000				1,000,000
Payment To Key Managerial Personnel						
Payment to Managing Director against purchase of shares					19,137,407	19,137,407
Payment to Key Managerial Personnels					13,927,974	13,927,974

Note: Figures shown in brackets represent expenditures.



24 Contingent Liabilities not provided for

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Income Tax Demand - AY 2002-03 (Rs. 1.63 Lakhs has been paid against order)	-	1,063,973
Income Tax Demand - AY 2008-09	-	53,848
Income Tax Demand - AY 2010-11	93,280	93,280
Income Tax Demand - AY 2012-13	53,608	1,324,250
Income Tax Demand - AY 2014-15	24,593,000	788,570
Income Tax Demand - AY 2015-16	4,558,531	4,558,531
Income Tax Demand - AY 2017-18	3,199,100	3,199,097
SISBL has availed of the following facilities from HDFC Bank wherein its Holding Company i.e. Shriram Credit Company Limited has provided "Letter of Comfort" to bank.		
Nature Of Facility	Amount Sanctioned (Rs)	Amount Utilised (Rs)
(i) Debtors Funding Book debts: Primary security 50% of receivable upto 7 days. Current Assets: Exclusive charge on Current Assets. Letter of comfort: Comfort letter given by Holding Company. Equity Shares: Partly secured by pledging of 272217 units of ICICI Prudential Liquid Fund -Growth	150,000,000	90,069,000
(iii) Bank Guarantee to NSE/BSE Partly secured by FD of Rs. 780 lakhs, 2,26,100 units of ICICI Prudential Liquid Fund and partly by Comfort letter given by Holding Company.	350,000,000	250,000,000
(iv) Bank Guarantee Fully secured by FD.	1,000,000	-
Way 2 Wealth Borkers (P) Ltd. has availed the following facility from Axis bank Ltd. wherein Shriram Credit Company Ltd. has provided "Letter of Comfort" to bank:		
Nature Of Facility	Amount Sanctioned (Rs)	Amount Utilised (Rs)
Bank Guarantee	550,000,000	515,000,000

25 Segment Reporting

Based on the guiding principle given in Accounting Standards on "Segment Reporting" (AS 17) issued by the Institute of Chartered Accountants of India, the company operates in single business and geographical segment. Hence the disclosure requirements of AS 17 in this regard is not applicable.

26 Reconciliation of Basic and Diluted shares used in computing earnings per share (As per AS 20)

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
No. of shares considered as basic weighted average shares outstanding	24,063,129	24,063,129
Add: Effect of dilutive issues of shares	-	-
No. of shares considered as basic weighted average and potential shares outstanding	24,063,129	24,063,129

27 As on 31/03/2022 & 31/03/2021, there were no outstanding dues to MSME units.

28 Leasehold land is amortized over the period of lease agreement.

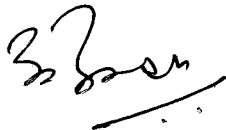
29 During the period ended 31st Mar 2022, Rs. 67,55,275/- due from two borrowers (which were previously declared as NPA & necessary provisions made as per IRAC norms) being irrecoverable, has been written off as the Company's effort for recovery did not yield any result.



SHRIRAM CREDIT COMPANY LIMITED

- 30 Amount due from five borrowers amounting to Rs. 1,49,64,763/- are considered as NPA during year ended 31st March 2021, as it has not been serviced beyond one year. A provision of Rs. 29,15,981/- consisting of 30% on Secured Loan of Rs. 97,19,936/- (based on available market rate of listed equity instruments available as collateral with the company) has been made in accordance with IRAC norms. Balance amount of Rs. 52,44,827/- being unsecured loan has been written off during the year 31st Mar 2021 as the company's effort of recovery did not yield any result. Due to continuance of COVID 19 pandemic situation, no further recovery action has materialised till the date of Balance Sheet.
- 31 The company has classified its loan portfolio into Standard and NPA based on various RBI guidelines issued in this regard including the possible impact of COVID 19 pandemic on its borrowers.
- 32 The World Health Organization has declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The Government of India had also announced nationwide lockdown from March 24, 2020 to stop the spread of the pandemic in India. The extent of the impact of the outbreak and the resultant intermittent lockdown on the Company's existence as a going concern and financial performance will depend on certain developments, including the duration and spread of the outbreak, lockdown etc. The continuous monitoring of the developments and taking necessary measures to mitigate the impact of the pandemic, the Company have favourable financial results during the period. The directors consider that the Company has adequate financial resources to continue its operational existence for the foreseeable future and therefore, continue to adopt the going concern basis of accounting in preparing the financial statements.
- 33 During the year ended 31st Mar 2022, the company has acquired additional 85,30,690 no. of shares of Way 2 Wealth Securities Private Ltd. at Rs.2.74 per share amounting to Rs.2,33,74,091/- (Including Rs. 1,91,37,407/- paid to Managing Director against purchase of 69,84,455 no. of shares) which is appearing as Investment of the company.
- 34 The remuneration of the Managing Director as recommended by Nomination and Remuneration Committee & approved by the Board in its meeting held on 20th Day of Jan 2021 is being fully paid from Way2Wealth Securities Pvt Ltd a wholly owned subsidiary of the company as he is also rendering services to the said subsidiary, considering the current financials of the Company.
- 35 During the year, the company entered into an Investment Agreement for subscribing 50 crores compulsorily convertible preference shares (CCPs) of Re. 1/- each of Shriram Asset Management Company Ltd. Company's share of Stamp Duty paid towards Registration of aforesaid Investment Agreement has been capitalised.
- 36 During the year, the company has adjusted Rs. 12,01,207/- against investments made in Way 2 Wealth Securities, being liability written back against outstanding consideration.
- 37 Previous years figures have been regrouped / rearranged wherever necessary conforming to current year's classification.

As per our report of even date
For K.S.Aiyar & Co.
Chartered Accountants
Firm Regn No. 100186W



B. Basu
Partner
Membership No. 017474
UDIN -

22017474AL0BU1685

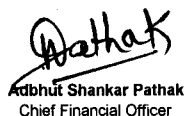


Place : Kolkata
Date: 20.05.2022

For and on behalf of the Board of Directors of
Shriram Credit Company Limited


Akhilesh Kumar Singh
Vice Chairman
DIN : 00421577


M R Shashibhushan
Managing Director
DIN : 00492377

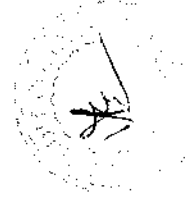

Adbhit Shankar Pathak
Chief Financial Officer


Trina Nandi
Company Secretary

Place : Chennai
Date: 20.05.2022

SHIRIAM CREDIT COMPANY LIMITED

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	228,232,406	-	228,232,406	-	-
	Stage 2	-	-	-	-	-
Subtotal		228,232,406	-	228,232,406	-	-
Non-Performing Assets (NPA)						
Sub - Standard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful						
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	228,232,406	-	228,232,406	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	Total	228,232,406	-	228,232,406	-	-



Why

And

For

Shriram Credit Company Limited
Employee benefits

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Employer's Contribution to Provident Fund (includes pension fund)	72,352	85,224

b) Defined benefit plans

The Company has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, without any ceiling limit. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2021. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Gratuity (Funded)

Particulars	31-03-22	31-03-21
Liability recognized in the Balance Sheet		
Present value of defined benefit obligation		
Opening Balance	144,311	123,137
Current Service Cost	14,898	14,272
Interest Cost	10,044	8,398
Actuarial Loss/(Gain) on obligation	935	(1,496)
Closing Balance	170,188	144,311
Expenses during the year		
Current Service cost	14,898	14,272
Interest cost	10,044	8,398
Component of defined benefit cost recognized in statement of profit & loss	24,942	22,670
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	935	(1,496)
- Actuarial Loss/(Gain) on Plan Assets		
Component of defined benefit cost recognized in other	935	(1,496)
Total	25,877	21,174

Principal actuarial assumptions

Particulars	31-03-22	31-03-21
Discount Rate	7.33%	6.96%
Expected rate(s) of salary increase	5.00%	5.00%
Expected return on plan assets	NA	NA
Attrition rate	2.00%	2.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urb)	Indian Assured Lives Mortality (2006-08) Ult.

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected

Particulars	Impact on Defined benefit obligation	
	31-03-22	31-03-21
Discount rate - 1% Increase	(23,130)	(20,392)
Discount rate - 1% Decrease	28,097	24,981
Future salary growth - 1% Increase	28,486	25,232
Future salary growth - 1% Decrease	(23,800)	(20,915)
Attrition rate - 1% Increase	6,950	5,332
Attrition rate - 1% Decrease	(7,938)	(6,117)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

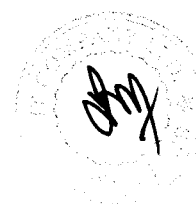
The average expected remaining lifetime of the plan members is 6 years as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The Company had deployed its investment assets in an insurance plan which is invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates as compared with the investment returns from the smooth return investment plan. The liabilities' duration is not matched with the assets' duration.

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

c) Other long-term employee benefits.

Provision for long term compensated absences are measured by actuarial valuation in accordance with Ind AS-19



Shriram Credit Company Limited
Financial Instruments

A. Capital risk management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. There are no long term or short term borrowings. Accordingly, the capital fully funded by equity and there is no debt.

B. Categories of financial instruments

Particulars	31-03-22		31-03-21	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Loans	228,232,406	228,232,406	241,332,890	241,332,890
Other financial assets	2,100,047	2,100,047	35,704,772	35,704,772
Investments	1,191,514,855	1,191,514,855	1,189,642,853	1,189,642,853
Cash and cash equivalents	7,202,349	7,202,349	4,530,453	4,530,453
Total financial assets at amortised cost (A)	1,428,049,458	1,428,049,458	1,471,210,968	1,471,210,968
Measured at fair value through other comprehensive income (B)	-	-	-	-
Measured at fair value through profit and loss (C)	-6,236,678	-6,236,678	2,198,328	2,198,328
Total financial assets (A+B+C)	1,422,812,780	1,422,812,780	1,473,409,296	1,473,409,296
Financial liabilities				
Measured at amortised cost				
Trade payables	109,327	109,327	97,174	97,174
Borrowings	160,000,002	160,000,002	201,385,092	201,385,092
Total financial liabilities carried at amortised cost	160,109,329	160,109,329	201,482,266	201,482,266

C. Financial risk management

The Company has an Audit Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

D. Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arises principally from Investments, loans and trade receivables. Exposure pertaining to these are substantially with group entities. Accordingly, there are no significant credit risks.

E. Liquidity risk management

Liquidity risk refers to the risk of financial distress arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Being a core investment company, the company generates sufficient cash flow from its operations. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Liquidity exposure as at 31 Mar 2022

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	7,202,349	-	-	7,202,349
Loans	228,232,406	-	-	228,232,406
Investments				
- Investment in shares of subsidiaries & associates	-	-	1,183,864,844	1,183,864,844
- Investment in other equity shares	-	-	140,000	140,000
- Investment in mutual funds	1,273,134	-	-	1,273,134
Other Financial Assets	2,100,047	-	-	2,100,047
Total financial assets	238,807,936	-	1,184,004,844	1,422,812,780
Financial liabilities				
Borrowings	-	160,000,002	-	160,000,002
Other payables	109,327	-	-	109,327
Other financial liabilities	433,008	-	-	433,008
Total financial liabilities	542,335	-	-	160,542,337

Liquidity exposure as at 31 Mar 2021

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	4,530,453	-	-	4,530,453
Loans	241,332,890	-	-	241,332,890
Investments				
- Investment in shares of subsidiaries & associates	-	-	1,170,691,377	1,170,691,377
- Investment in other equity shares	-	-	140,000	140,000
- Investment in mutual funds	21,009,804	-	-	21,009,804
Other Financial Assets	35,704,772	-	-	35,704,772
Total financial assets	302,577,919	-	1,170,831,377	1,473,409,296
Financial liabilities				
Borrowings	-	201,385,092	-	201,385,092
Other payables	97,174	-	-	97,174
Other financial liabilities	1,114,393	-	-	1,114,393
Total financial liabilities	1,211,567	-	-	202,596,659

F. Level wise disclosure of financial instruments

Particulars	31-03-22	31-03-21	Level	Valuation techniques and key inputs
Investment in Mutual funds	-6,236,678	2,198,328	1	Quoted prices in active market

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.



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Shriram Credit Company Limited
INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 25% plus a surcharge and education cess.

Income tax expenses

Particulars	For the year ended	
	31-03-22	31-03-21
Current tax:		
Current tax	903,338	2,413,259
Tax pertaining to earlier years	-	-
Deferred tax	(765,558)	(610,898)
Total	137,780	1,802,361

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense recognised for the year is indicated below:

Particulars	For the year ended	
	31-03-22	31-03-21
Profit before tax	885,369	10,870,322
Enacted tax rate in India		
Expected income tax expense at statutory tax rate	197,083	3,024,124
Tax impact on account of:		
Depreciation under Income-tax Act	(29,944)	(497)
Provision against loans & advances	(652,085)	(153,365)
Expenses allowed only on payment basis	-	-
Expenses not deductible in determining taxable profits	-	154,572
Income not taxable - Dividend, Interest from tax free bonds	-	-
Deductions allowable under tax laws	1,388,284	(611,575)
Total	903,338	2,413,259
Effective income tax rate	102.03%	22.20%
Tax expenses as per statement of profit and loss excluding earlier year tax, if any	903,338	2,413,259
Deferred Tax Provision	(765,558)	(610,898)

Current Tax Assets

Particulars	As at 31-03-2022	As at 31-03-2021
Current tax Assets (Net)	13,703,589	15,521,629

Deferred Tax Liabilities

The majority of the deferred tax balance represents differential rates of depreciation for property plant and equipment under income tax act and disallowance of certain expenditure under income tax act. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31-03-2022	As at 31-03-2021
Deferred Tax Asset:		
On account of depreciation	7,779,584	4,216,924
Others	(2,911,471)	(132,952)
Deferred Tax Liability:		
Mutual fund and other investments	(1,042,461)	(1,023,878)
Deferred Tax Asset / (Liabilities) (Net)	3,825,652	3,060,094

Deferred Tax Asset / (Liabilities) in relation to	As at 31-03-2021	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	As at 31-03-2022
Depreciation under income tax act	4,216,924	3,562,860	-	7,779,584
Fair Valuation of Mutual funds	(1,023,878)	(18,583)	-	(1,042,461)
Others	(132,952)	(2,778,519)	-	(2,911,471)
Total	3,060,094	765,558	-	3,825,652



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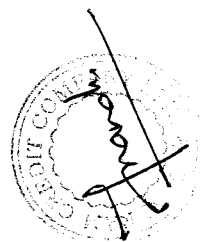
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As on 31st Mar 2022
Amount in Rs.

		Amount in Rs.				
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Capital Work in Progress						
Project in Progress		-	708,000	-	-	708,000

Trade Payable	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Others	20,895	-	-	88,432	109,327

Ratio	As on 31st Mar 2022	As on 31st Mar 2021
CRAR	23.60%	21.97%
Tier I	81.94%	80.47%
Tier II	0.05%	0.05%
Liquidity Coverage Ratio	6724.08%	9803.51%



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INDEPENDENT AUDITOR'S REPORT

To the Members of Shriram Credit Company Limited

Report on the audit of the Consolidated IndAS Financial Statements

1. Opinion

We have audited the accompanying consolidated IndAs financial statements of Shriram Credit Company Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated IndAs financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated IndAS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the IndAS and accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2022, of consolidated profit/loss, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year then ended.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind As financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.



Offices also at
Mumbai Chennai
Bengaluru Coimbatore Hyderabad

We have identified the matters described below to be the key audit matters in respect of Shriram Credit Company Limited..

- a) Going forward, substantial improvement is required in collection process by liquidating the collateral or otherwise on the five accounts declared as NPA as per IRAC norms.
- b) In view of COVID 19 pandemic, the impact on the financial statement of the company for the year ended 31.03.2022 has been fully explained in Note No.25. The company is presently not envisaging any long term impact on its financial statement.
- c) Shriram Wealth Ltd. is having negative net worth of Rs.514.18 lacs. Continuity of the company is dependent upon future cash generation and profitability.
- d) In case of Shriram Financial Products Solutions (P) Ltd., advance given to 'Take Solutions' of Rs.150 lacs is overdue for more than 90 days.

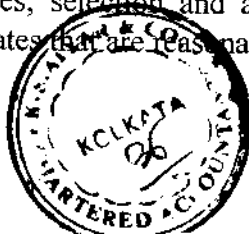
Our report is not modified in this respect.

4. Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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.

5. Responsibilities of Management and those charged with governance for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design,



implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

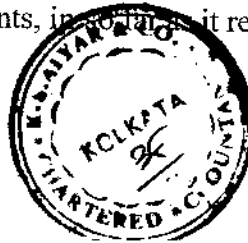
6. Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated Ind AS financial statements is included in Annexure A. This description forms part of our auditor's report.

7. Other Matters

We did not audit the financial statements / financial information of seven subsidiaries, whose financial statements / financial information reflect total assets of Rs. 66,158.05 lacs as at 31st March, 2022, total revenues of Rs. 41,314.50 lacs and net cash flows amounting to Rs. 5,830.75 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit after tax of Rs. 509.91 lacs for the year ended 31st March, 2022, as considered in the consolidated financial statements, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and



disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

(Rs. In Lacs)					
Sr. No.	Name of the Subsidiary Companies	Group's share of total assets	Group's share of total revenue	Group's share of net cash flows	Name of the Auditor
1.	Shriram Asset Management Company Limited	5,590.37	489.28	-20.41	G.D. Apte & Co.
2.	Shriram Wealth Limited	330.32	1,223.44	2.22	Pijush Gupta & Co.
3.	Shriram Fortune Solutions Limited	5,921.11	20,807.49	1,816.29	Pijush Gupta & Co.
4.	Shriram Financial Product Solutions (Chennai) Pvt. Limited	8,096.58	5,889.25	92.24	CNGSN & Associates LLP
5.	Shriram Insight Share Brokers Limited	20,528.99	5,439.01	1,151.17	KGRS & Co.
6.	Sea Funds Management India Private Limited	299.38	100.94	-5.46	N J Suresh & Associates
7.	Way 2 Wealth Securities Private Limited	25,391.30	7,365.09	2,794.70	Pijush Gupta & Co.
	TOTAL	66,158.05	41,314.50	5,830.75	

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

8. Report on Other Legal and Regulatory Requirements

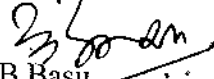
- (i) As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the



Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure B.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities
- ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.
- (ii). With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except in case of Shriram Financial Products Solutions (Chennai) Private Limited which is mentioned in Para iii (c) & (d) of Annexure -A to the Independent Auditors' Report.

For K.S.Aiyar & Co.
Chartered Accountants
Firm Regn. No. 100186W


B. Basu

Partner

Membership No.: 017474



UDIN: 22017474ALOCDC6186

Place: Kolkata

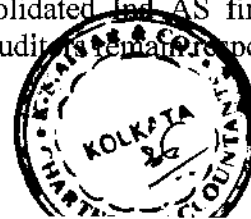
Date: 20-05-2022

Annexure A

Responsibilities for Audit of Consolidated Ind AS Financial Statement .

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements,
Whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors are responsible for the



direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS 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.

For K.S.Aiyar & Co.
Chartered Accountants
Firm Regn. No. 100186W



B. Basu
Partner
Membership No.: 017474

UDIN: 22017474ALOCDC6186
Place: Kolkata
Date: 20-05-2022



ANNEXURE B**INDEPENDENT AUDITOR'S REPORT (REFERRED TO PARAGRAPH 8 (f) OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHRIRAM CREDIT COMPANY LIMITED**

In conjunction with our audit of the consolidated financial statements of Shriram Credit Company Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Shriram Credit Company Limited (hereinafter referred to as the "Holding Company") and its subsidiary Companies, which are Companies incorporated in India, as of that date.

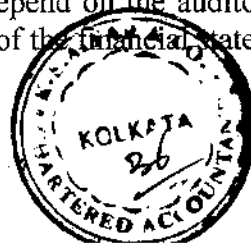
Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary Companies, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company & subsidiary companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and based on consideration of the audit reports of the other auditors read with Key Audit Matters referred to in Para 3 of Independent Auditors Report, in case of audited financial statements referred to in "Other Matters" below, the Holding Company, its subsidiary Companies, which are Companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

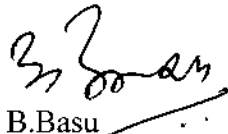


Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to the subsidiary Companies, which are Companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary Companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 20th May, 2022 expressed an unqualified opinion thereon.

For K.S. Aiyar & Co.
Chartered Accountants
Firm Regn. No. 100186W



B. Basu
Partner
Membership No.: 017474

UDIN: 22017474ALOCDC6186

Place: Kolkata
Date: 20-05-2022



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

1. Corporate Information

Shriram Credit Company Limited ("the company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is a Non Deposit Systemically Important company registered with the Reserve Bank of India.

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).

3. Presentation of financial statement

The financial statements of the Company are presented in mixed format 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. Significant accounting policies

5.1 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:

- ▶ 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.



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(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.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which IndAS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election 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.



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(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.

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

Financial instruments held for trading

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

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

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

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

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

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

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

(v) 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).



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(vi) Financial guarantees

Financial guarantees are initially recognised in the financial statements (within Provisions) 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.

(vii) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2017-18 and until the year ended March 31, 2022.

(viii) Recognition and De-recognition of financial assets and liabilities

Recognition:

- 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.
- Investments are initially recognised on the settlement date.
- Debt securities, deposits and borrowings are initially recognised when funds reach the Company.
- 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.

De-recognition 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 de-recognition 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 de-recognition. 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.

De-recognition 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 de-recognition.

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

- The Company has transferred its contractual rights to receive cash flows from the financial asset, or



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

- 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 de-recognition 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 de-recognition 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.

(ix) 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.



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

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 Loans, Secured loans against Shares and Property.

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 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.

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:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

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.

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.

Exposure at Default (EAD)- The Exposure at Default is an estimate of the exposure at a future default date.

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.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments/ natural calamities occurring in the market it operates in. 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 trends/events reasonably.

If an event warrants a provision higher than as mandated under ECL methodology, the Company may make the same.

(x) Write-offs

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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(xi) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value.

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

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

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

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

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

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

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

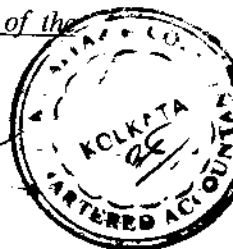
Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities 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.

Day 1 profit or loss



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

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.

5.2 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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

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

Step 2: Identify performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

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 – 13b), 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.

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.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL presented separately under the respective head in the Statement of Profit and Loss.

5.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

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 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 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 / asset through other comprehensive income. An actuarial valuation involves making various



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

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 at each reporting date.

The Company fully contributes all ascertained liabilities to The Trustees - ShriramCredit Company Ltd Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with Life Insurance Corporation of India, the IRDA approved Insurance Company.

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

Other long-term employee benefits

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

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 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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 accrue.

(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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

(vi) Taxes

Current Tax

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

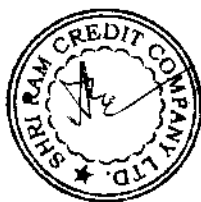
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates 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.



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

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.

5.4 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 year-end, are translated at the year-end 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.



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

5.5 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.

5.6 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 commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using straight line basis ('SLM') method using the rates arrived at based on the useful lives of the assets as prescribed in the Schedule II to the Companies Act, 2013, except furniture and fittings of group office assets, for which useful life is considered as 9 years. Management has re-assessed the useful lives of the Property, plant and equipment and on the basis of technical evaluation, management is of the view that useful lives used by management, as above, are indicative of the estimated economic useful lives of the Property, plant and equipment. In respect of additions to Property, plant and equipment, depreciation has been charged on pro rata basis.

5.7 Intangible assets

Intangible assets being Computer Software acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less amortization and impairment losses. It is amortized on straight line basis over the estimated useful life which is presumed to be five years at present.

For transition to Ind AS, the Company has elected to continue with carrying value of all its intangible assets recognised as of 1 April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

5.8 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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

accumulated depreciation and cumulative impairment (if any) as on the transition date of April 1, 2017.

Investment properties (other than land) are depreciated using WDV method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation by management.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its investment properties recognised as at 1st April 2017, measured as per previous GAAP and use that carrying value as the deemed cost of investment properties.

5.9 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.

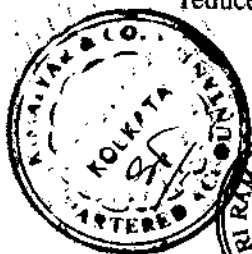
5.10 Contingent Liabilities

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.

5.11 Earning Per Share

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

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



6. 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:

6.1 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.

6.2 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 at each reporting date.

6.3 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.



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

6.4 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.

6.5 Contingent liabilities and provisions other than impairment on loan portfolio

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

6.6 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

6.7 Other estimates:

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



SHRIRAM CREDIT COMPANY LIMITED
 Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
 CIN : U65993TN1980PLC008215
 Consolidated Balance Sheet as on 31st Mar 2022

	Particulars	Note No.	Amount (in lacs)	Amount (in lacs)
			Figures at the end of current reporting Period (31st Mar 2022)	Figures at the end of previous reporting Period (31st Mar 2021)
I	ASSETS			
	Non Current Assets			
	(a) Property Plant & Equipment	2	4,614.71	4,519.18
	(b) Capital Work in Progress		7.08	7.08
	(c) Financial Assets			
	(i) Investments	3	7,222.44	6,625.36
	(ii) Loans and Advances	5	3,415.76	549.91
	(d) Current Tax Assets (Net)		474.76	616.65
	(e) Other non current Assets	6	158.55	115.00
			15,891.31	12,433.18
	Current Assets			
	(a) Financial Assets			
	(i) Investments	3	4,738.91	6,503.43
	(ii) Trade Receivables	7	11,644.04	10,738.01
	(iii) Cash and cash equivalents	4	24,317.28	19,200.01
	(iv) Loans and Advances	5	3,639.67	8,611.85
	(b) Inventories		13.24	58.47
	(c) Current Tax Assets (Net)		1,502.80	2,380.92
	(d) Other current assets	6	1,097.08	402.98
			46,953.02	47,895.67
	TOTAL		62,844.33	60,328.86
II	Equity and Liabilities			
	Equity			
	(a) Share Capital	8.1	2,406.31	2,406.31
	(b) Other Equity	9	27,571.10	27,319.56
	(c) Minority Interest		63.87	353.42
			30,041.29	30,079.29
	Liabilities			
	Non Current Liabilities			
	(a) Deferred Tax Liabilities (Net)	10	(911.60)	(858.59)
	(b) Provisions	12	1,413.52	1,388.16
	(c) Subordinated Liability	8.2	2,400.00	2,400.00
	(d) Other non current liabilities	11	3,081.87	2,347.39
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		901.03	-
	(ii) Trade Payables		19,964.52	5,801.52
	(b) Other current liabilities	11	3,702.44	16,745.05
	(c) Provisions	12	2,251.25	2,428.04
			32,803.03	30,249.58
	TOTAL		62,844.33	60,328.86

The notes referred to above form an integral part of the financial statements

As per our report of even date
 For K.S.Aiyar & Co.
 Chartered Accountants
 Firm Regn No. 100186W

B. Basu
 Partner
 Membership No. 017474

UDIN-22017474ALOC

Kolkata
 20-May-2022



For and on behalf of the Board of Directors of
 Shriram Credit Company Limited

Akhilesh Kumar Singh
 Vice Chairman
 DIN : 00421577

Abhijit Shankar Pathak
 Chief Financial Officer

M R Shashibhushan
 Managing Director
 DIN : 00492377

Trina Nandi
 Company Secretary
 Chennai
 20-May-2022

SHRIRAM CREDIT COMPANY LIMITED
Reg. office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
CIN : U65993TN1980PLC008215
Consolidated Statement of Profit and Loss for the year ended 31st Mar 2022

SI No	Particulars	Note	Amount (in lacs) Figures at the end of current reporting Period (31st Mar 2022)	Amount (in lacs) Figures at the end of previous reporting Period (31st Mar 2021)
I	Revenue from Operations	13 (a)	39,248.75	26,929.86
II	Other Income	13 (b)	2,425.30	2,428.10
III	Total Income (I+II)		41,674.05	29,357.95
IV	Expenses			
	(a) Employees benefit expense	14	12,157.92	8,079.28
	(b) Finance Cost	15	389.57	126.30
	(c) Depreciation & amortisation expense	2	978.58	712.44
	(d) Other expenses	16	27,768.18	19,619.80
	(e) Provisions & Write offs	17	38.26	46.94
	Total Expenses		41,332.52	28,584.76
V	Profit/(loss) before exceptional items and tax (III-IV)		341.52	773.20
VI	Exceptional items		-	-
VII	Profit/(loss) before tax (V-VI)		341.52	773.20
VIII	Tax Expenses			
	(a) Current Tax		187.27	238.48
	(b) Deferred Tax		35.39	(13.93)
	(c) Earlier Year Tax		84.22	(40.31)
	Total Tax Expenses		266.89	182.24
IX	Profit/(loss) for the period from continuing operations (VII-VIII)		54.64	590.96
X	Profit/(loss) From discontinued operations		-	-
XI	Tax expenses of discontinued operations		-	-
XII	Profit/(loss) From discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX-XII)		54.64	590.96
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		85.42	14.28
	(ii) Income tax relating to item that will not be reclassified to profit or loss		57.11	28.18
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to item that will be reclassified to profit or loss		-	-
XV	Total comprehensive income for the period (XIII+XIV)		187.16	633.42
	Total Profit for the year attributable to:			
	- Owners of the Company		110.64	609.06
	- Non-controlling interest		(56.00)	(18.09)
	Other comprehensive income/(loss) for the year attributable to:			
	- Owners of the Company		144.41	40.40
	- Non-controlling interest		(1.88)	2.08
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		255.05	649.47
	- Non-controlling interest		(57.88)	(16.03)
XVI	Total comprehensive income for the period after Minority Interest		253.16	651.51
XVII	Earnings per equity share (for continuing operations)			
	(1) Basic (in Rs.)		1.05	2.71
	(2) Diluted (in Rs.)		1.05	2.71
XVIII	Earnings per equity share (for discontinued operations)			
	(1) Basic (in Rs.)		-	-
	(2) Diluted (in Rs.)		-	-
XIX	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic (in Rs.)		1.05	2.71
	(2) Diluted (in Rs.)		1.05	2.71
	The notes referred to above form an integral part of the financial statements			

As per our report of even date
For K.S. Aiyar & Co.
Chartered Accountants
Firm Regn No. 100188W

B. Basu
Partner
Membership No. 017474



UDIN : 22017474ALOCDC6186

Kolkata
20-May-2022

For and on behalf of the Board of Directors of
Shriram Credit Company Limited

Akhilesh Kumar Singh
Vice Chairman
DIN : 00421677

Abhijit Shankar Pathak
Chief Financial Officer

M R Shashibhushan
Managing Director
DIN : 00492377

Trina Nandi
Company Secretary
Chennai
20-May-2022

SHRIRAM CREDIT COMPANY LIMITED

Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
Consolidated Cash Flow Statement for the year ended 31st Mar 2022

Rs. In Lacs

Particulars	Figures at the end of current reporting Period (31st Mar 2022)	Figures at the end of previous reporting Period (31st Mar 2021)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	341.52	773.20
Interest Income on Bank deposits	(1,400.58)	(1,076.71)
Dividend Income	(1.64)	(22.86)
Prior period item	-	-
Provision & Write offs	(29.29)	(5.51)
Profit on sale of investments	(80.86)	(60.90)
Depreciation	978.59	712.44
Interest Paid	389.57	126.30
Operating profit before change in working capital	197.31	445.95
Movements in Working Capital:		
Decrease / (Increase) in Other Assets	509.88	(6,034.70)
Increase / (Decrease) in Current Liabilities and provisions	1,681.72	15,651.05
Net cash from/(used in) operating activities	2,388.91	10,062.30
Direct taxes paid	733.13	1,127.86
Net Cash from / (used in) operating activities	3,122.04	11,190.16
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of Investments (Net)	1,248.30	2,580.17
Interest Income on Deposits	1,400.58	1,076.71
Sale of Fixed Assets	53.62	164.81
Purchase of Fixed Assets	(1,127.74)	(1,719.68)
Dividend from Mutual Funds	1.64	22.86
Net cash from / (used in) in investing activities	1,576.40	2,124.87
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from change in net worth	(92.64)	(2,460.90)
Subordinated Liability	-	2,400.00
Secured Borrowings	901.03	-
Interest paid	(389.57)	(126.30)
Net Cash from / (used in) Financing activities	418.82	(187.20)
Total increase/(decrease) in cash and cash equivalents (A+B+C)	5,117.27	13,127.83
Cash and Cash equivalents as at the beginning of the year	19,200.01	6,072.18
Cash and Cash equivalents at the end of the year	24,317.28	19,200.01

As per our report of even date
For K.S.Aiyar & Co.
Chartered Accountants
Firm Regn No. 100186W

B. Basu
Partner
Membership No. 017474

UDIN: 22017474ALOCBC186



Kolkata
20-May-2022

For and on behalf of the Board of Directors of
Shriram Credit Company Limited

Akhilesh Kumar Singh
Vice Chairman
DIN : 00421577

Abhinav Shankar Pathak
Chief Financial Officer

M R Shashibhushan
Managing Director
DIN : 00492377

Trina Nandi
Company Secretary
Chennai
20-May-2022

SHRIRAM CREDIT COMPANY LIMITED
 Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
 CIN : U65933TN1980PLC008215
 Consolidated Statement of Changes in Equity for the year Ended 31st Mar 2022

A. Equity Share Capital

Particulars	Amount in Lacs
Balance as at 1st Apr 2021	2,406.31
Changes in equity share capital during the period	-
Balance as at 31st Mar 2022	2,406.31

B. Other Equity

Particulars	Reserves and Surplus					Total
	Capital Reserve	Statutory Reserve	Securities Premium Reserve	ESOP Adjustment	General Reserve	Retained Earnings
Balance as at 1st Apr 2021	4,011.90	955.99	7,336.53	3.08	15.27	14,896.81
Transfer for the period ended 31st Mar 2022	-	1.50	-	-	-	(1.50)
Total Comprehensive Income for the period ended 31st Mar 2022	-	-	-	-	-	253.16
Adjustment against Retained Earnings	5.74	-	-	-	-	(7.35)
Balance as at 31st Mar 2022	4,017.64	957.48	7,336.53	3.08	15.27	15,241.13
						27,571.12

A. Equity Share Capital

Particulars	Amount in Lacs
Balance as at 1st Apr 2020	2,408.31
Changes in equity share capital during the Quarter	-
Balance as at 31st Mar 2021	2,408.31

B. Other Equity

Particulars	Reserves and Surplus					Total
	Capital Reserve	Statutory Reserve	Securities Premium Reserve	ESOP Adjustment	General Reserve	Retained Earnings
Balance as at 1st Apr 2020	5,391.58	937.85	7,336.53	3.08	15.27	14,174.23
Transfer for the period ended 31st Mar 2021	(1,379.69)	18.14	-	-	-	(18.14)
Total Comprehensive Income for the period ended 31st Mar 2021	-	-	-	-	-	837.52
Adjustment against Retained Earnings	-	-	-	-	-	3.18
Balance as at 31st Mar 2021	4,011.90	955.99	7,336.53	3.08	15.27	14,896.79
						27,571.55



4. Cash and cash equivalents				Rs. In Lacs	
Particulars	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)		
a. Cash and cash equivalents					
i. Cash on Hand		9.67		26.19	
ii. Balance with Scheduled banks in current account(s)		8,435.53		4,047.55	
		8,445.20		4,073.73	
b. Other Bank Balance					
Deposit with maturity less than 90 days		-		-	
i. Deposit with maturity for more than 3 months but less than 12 months		15,872.08		15,126.28	
ii. Deposit with original maturity of more than 12 months		-		-	
iii. Interest Accrued & Due on bank Fixed Deposit		-		-	
c. Other than Bank Balance					
Deposit with exchange as Margin money		-		-	
		15,872.08		15,126.28	
		24,317.28		19,200.01	
5. Loans and Advances					
Particulars	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)		
	Long Term	Short Term	Long Term	Short Term	
Secured, considered good					
Finance Loan	-	2,253.47	16.09	2,620.04	
Deposits	934.02	-	498.65	1,785.55	
Unsecured, considered good					
Loan to Subsidiaries	-	-	-	-	
Others	1,696.21	260.55	-	136.66	
Loan to Employee	-	171.42	-	168.27	
Other Loans & Advances considered good					
Advance for Travel & Office expenses	-	-	-	45.52	
Prepaid expenses	-	-	-	-	
Others, considered good	785.53	954.22	35.18	3,855.80	
	3,415.76	3,639.67	549.91	8,611.85	
6. Other Assets					
Particulars	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)		
	Long Term	Short Term	Long Term	Short Term	
Prepaid Expenses	9.66	25.60	5.52	123.42	
Claims Receivable	-	-	-	-	
Statutory Receivables	36.37	-	43.27	-	
Others	110.52	1,071.48	66.21	279.57	
	156.55	1,097.08	115.00	402.98	
7. Trade Receivables					
Particulars	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)		
Secured and Considered Good					
Outstanding for a period exceeding six months		-	-	-	
Others		11,666.00		10,646.61	
Unsecured and Considered Good					
Others		-		-	
Gross Total		11,666.00		10,646.61	
Less: Provisions for Bad Debts		21.96		108.60	
Net Total		11,644.04		10,738.01	



NOTES TO ACCOUNTS		
9. Other Equity		
	Rs. in Lacs	
Particulars	Figures at the end of current reporting Period (31st Mar 2022)	Figures at the end of previous reporting Period (31st Mar 2021)
Capital Reserve	25.00	25.00
Capital Reserve on Consolidation (Net of Goodwill of Shriram Assets Management Co. Ltd. - Rs. 1,04,88,861/-) (Net of Goodwill of Way2wealth Securities Pvt. Ltd. - Rs. 13,86,03,078/-)	3,992.64	5,366.58
Adjustment for additional acquisition	-	(1,379.69)
Total	3,992.64	3,986.89
Statutory Reserve - at the beginning	955.99	937.85
Add: Transfer during the period	1.50	18.14
Statutory Reserve - at the end	957.48	955.99
Securities Premium Reserve - at the beginning	7,336.53	7,336.53
Add: Receipts during the period	-	-
Securities Premium Reserve - at the end	7,336.53	7,336.53
ESOP adjustments	3.08	3.08
General Reserve	15.27	15.27
Surplus - At the beginning	14,996.81	14,174.23
Opening Adjustments	-	(16.81)
Diminution in the value of Investment in Subsidiary	-	-
Other Comprehensive Income	-	-
Add: Net Profit after tax transferred from Statement of Profit and Loss	253.16	649.47
Appropriations		
I. Transfer to Statutory Reserve (Applicable to Shriram Credit Company Limited)	(1.50)	(18.14)
II. Provision for Tax	-	-
III. Adjustment for additional acquisition*	(7.35)	188.06
IV. Other Adjustments	-	20.00
Surplus / (Deficit) - Balance at the end of the period	15,241.11	14,996.81
Total Reserves and Surplus	27,571.10	27,319.56

* Difference between the amounts of change in non-controlling interest in W2WS & fair value of consideration paid by SCCL, recognised directly in equity as per IND AS 110.



10. Deferred Tax Asset				
Particulars	Rs. in Lacs			
	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)	
Opening balance	858.58		(53.25)	
Add: Asset recognized during the year	69.43		949.65	
Less: Set-off during the year	16.41		37.82	
Closing balance	911.60		858.58	
11. Other Liabilities				
Particulars	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)	
	Long Term	Short Term	Long Term	Short Term
Taxes & Duties Payable	-	286.69	-	263.81
Caution deposits & Others	-	-	86.38	-
Statutory & Other Dues pertaining to employees	752.21	448.38	-	517.60
Operating Lease Liability	1,808.54	334.08	1,733.52	312.28
Employee welfare fund	42.98	-	43.98	-
Others	-	-	-	-
Provision for expenses	468.14	8.80	483.41	37.92
Claims & Other Payables	-	249.79	0.10	314.92
Other Expenses	-	2,374.70	-	15,298.52
	3,081.87	3,702.44	2,347.39	16,745.05
12. Provisions				
Particulars	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)	
	Long Term	Short Term	Long Term	Short Term
For employee benefits				
For Gratuity	940.60	158.53	951.83	123.91
For Leave encashment and availment	472.92	90.84	436.33	90.41
For Bonus & Exgratia	-	82.98	-	58.65
Others	-	-	-	-
Provision on Standard Assets	-	9.12	-	9.26
Provision for NPA	-	-	-	29.16
CSR to be Deposited in Fund	-	41.46	-	24.67
Provision for Expenses	-	9.56	-	26.69
Provision for Distribution of Expenses	-	1,858.76	-	2,063.30
	1,413.52	2,251.25	1,388.16	2,426.04



SHRIRAM CREDIT COMPANY LIMITED

8.1 Share Capital

Particulars	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)	
	No. of Shares	Rs. In Lacs	No. of Shares	Rs. In Lacs
Authorised Share Capital:				
Equity shares of Re.10/- each	25,000,000	2,500.00	25,000,000	2,500.00
Compulsorily Convertible Preference Shares of Rs. 10/- each	-	-	4,000,000	400.00
	25,000,000	2,500.00	29,000,000	2,900.00
Issued, subscribed and paid up capital:				
Equity share of Rs. 10/- each	24,063,129	2,406.31	24,063,129	2,406.31
Terms/rights attached to share holders				
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.				
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 share holders.				
a) Reconciliation of number of equity shares and equity share capital				
Particulars	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)	
	Number	Rs. In Lacs	Number	Rs. In Lacs
Balance as at the beginning of the year	24,063,129	2,406.31	24,063,129	2,406.31
Increase/Decrease	-	-	-	-
Balance as at the end of the year	24,063,129	2,406	24,063,129	2,406
b) Details of shares held by holding company or its ultimate holding company including shares held by subsidiary or associates of holding company or the ultimate holding company				
Name of Shareholder	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	24,061,889	99.99%	23,977,269	99.64%
c) Details of shareholders holding more than 5% of the aggregate shares in the Company:				
Name of Shareholder	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited (Holding Company)	24,061,889	99.99%	23,977,269	99.64%

8.2 Subordinated Liability

Particulars	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)	
	No. of Shares	Rs. In Lacs	No. of Shares	Rs. In Lacs
Authorised Preference Shares:				
6.5% Non - Convertible Cumulative Redeemable Preference Shares (Tenure 10 years)	25,000,000	2,500	25,000,000	2,500
	25,000,000	2,500	25,000,000	2,500
Issued, subscribed and paid up capital:				
Preference share of Rs. 10/- each	24,000,000	2,400	24,000,000	2,400
a) Reconciliation of number of Preference shares				
Particulars	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)	
	Number	Rs. In Lacs	Number	Rs. In Lacs
Balance as at the beginning of the year	24,000,000	2,400	-	-
Increase/Decrease	-	-	24,000,000	2,400
Balance as at the end of the year	24,000,000	2,400	24,000,000	2,400
b) Details of shares held by holding company or its ultimate holding company including shares held by subsidiary or associates of holding company or the ultimate holding company				
Name of Shareholder	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	24,000,000	100.00%	24,000,000	100%
c) Details of shareholders holding more than 5% of the aggregate shares in the Company:				
Name of Shareholder	Figures at the end of current reporting Period (31st Mar 2022)		Figures at the end of previous reporting Period (31st Mar 2021)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited (Holding Company)	24,000,000	100.00%	24,000,000	100%



SHRIRAM CREDIT COMPANY LIMITED

2. Property, Plant and Equipment

Particulars	Electrical Installation	Leasehold Land	Office Premises	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Leasehold Improvements	Right of Use Asset	Total Tangible Assets	Intangible Assets (Software)
Deemed cost as at April 01, 2021	32.00	2,124.55	174.81	13.58	474.97	43.94	674.66	1,292.88	438.24	2,859.98	8,129.62	831.04
Addition on account of acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment due to reclassification	-	-	(142.43)	-	-	-	-	-	-	(74.95)	(217.38)	-
Additions	-	-	-	1.99	14.80	-	34.18	147.63	2.13	856.75	1,057.48	70.21
Disposals	-	-	-	-	24.33	21.71	104.45	89.21	63.01	48.74	351.45	72.07
Gross carrying amount as at Mar 31, 2022	32.00	2,124.55	32.38	15.57	465.44	22.23	604.39	1,351.30	377.36	3,593.04	8,618.27	829.18
Accumulated depreciation / amortisation and impairment	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at April 01, 2021	20.76	128.76	97.48	11.28	365.37	25.89	575.80	1,104.36	361.33	1,010.51	3,701.54	739.94
Addition on account of acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment due to reclassification	-	-	(78.79)	-	-	-	-	(0.01)	0.01	(138.59)	(217.38)	-
Depreciation for the period	2.52	21.46	0.94	1.18	15.08	3.47	36.23	87.61	11.71	775.56	955.76	22.82
Depreciation on disposals	-	-	-	-	23.21	13.64	103.47	89.18	63.01	5.36	297.87	72.08
Balance as at Mar 31, 2022	23.28	150.22	19.63	12.46	357.24	15.72	508.56	1,102.78	310.04	1,642.12	4,142.06	690.68
Net Carrying Amount	-	-	-	-	-	-	-	-	-	-	-	-
As at Mar 31, 2022	8.72	1,974.33	12.75	3.11	108.20	6.51	95.83	248.52	67.32	1,950.92	4,476.21	138.50



SHRIRAM CREDIT COMPANY LIMITED

3. Investments

Rs. in Lacs

Investments	Figures at the end of current reporting Period (31st Mar 2022)				Figures at the end of previous reporting Period (31st Mar 2021)			
	Amortised cost	FVTPL	Others	Total	Amortised cost	FVTPL	Others	Total
I. In India								
Mutual funds	-	7,719.92	-	7,719.92	-	9,267.44	-	9,267.44
Government securities	-	-	-	-	-	-	-	-
Other approved securities	-	-	-	-	-	-	-	-
Debt securities	6.85	-	-	6.85	-	-	-	-
Fixed Deposits	-	-	-	-	-	-	-	-
Term deposits in Banks	-	-	-	-	-	-	-	-
Promoter Group Investments	-	-	-	-	-	-	-	-
Investments in Infrastructure and Social Sector	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
1. NCD - STFC	937.09	-	-	937.09	1,000.00	-	-	1,000.00
2. Tax free bonds	-	-	-	-	-	-	-	-
3. Subordinate debts	-	230.27	-	230.27	-	1,421.56	-	1,421.56
4. Debtures and Bonds	-	-	-	-	-	-	-	-
5. 10.75% Shriram City Union Finance Ltd.	2,793.43	-	-	2,793.43	1,380.00	-	-	1,380.00
Equity instruments	-	-	-	-	-	-	-	-
Associates	-	-	-	-	-	-	-	-
1. Shriram City Union Finance Ltd	-	-	-	-	-	-	-	-
2. Shriram Transport Finance Company Ltd	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
1. Bharat Re Insurance Brokers Pvt. Ltd.	-	-	-	-	-	-	-	-
2. Shriram Seva Sankalp Foundation	-	-	1.40	1.40	-	-	1.40	1.40
3. Investment in equity of other companies	-	-	-	-	-	-	-	-
4. Saraswat Cooperative Bank Ltd.	0.10	-	-	0.10	0.10	-	-	0.10
5. Others	262.29	10.01	-	272.30	58.29	-	-	58.29
Other Investments	-	-	-	-	-	-	-	-
II. Outside India								
Government securities	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-
Total -Gross (A)	3,999.76	7,960.20	1.40	11,961.36	2,438.39	10,689.00	1.40	13,128.79
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	3,999.76	7,960.20	1.40	11,961.36	2,438.39	10,689.00	1.40	13,128.79
Total - (B)	3,999.76	7,960.20	1.40	11,961.36	2,438.39	10,689.00	1.40	13,128.79
Less: Impairment loss allowance (C)	-	-	-	-	-	-	-	-
Total - Net D= (A)-(C)	3,999.76	7,960.20	1.40	11,961.36	2,438.39	10,689.00	1.40	13,128.79



SHRIRAM CREDIT COMPANY LIMITED

5. Loans

Rs. In Lacs

Particulars	Figures at the end of current reporting Period (31st Mar 2022)			Figures at the end of previous reporting Period (31st Mar 2021)		
	Others		Total	Others		Total
	Short Term	Long Term		Short Term	Long Term	
Loans						
(A) (i) Bills purchased and Bills discounted	-	-	-	-	-	-
(ii) Loan repayable on demand	2,253.47	-	2,253.47	2,620.04	-	2,620.04
(iii) Term loans (To Related Party)	-	-	-	-	-	-
(iv) Leasing	-	-	-	-	-	-
(v) Deposits	-	934.02	934.02	1,785.55	498.65	2,284.20
(vi) Loan Against Policies	-	-	-	-	-	-
(vii) Loan To employees	171.42	-	171.42	168.27	-	168.27
Others	1,214.77	2,481.74	3,696.51	4,037.99	51.26	4,089.25
Total (A) -Gross	3,639.67	3,415.76	7,055.43	8,611.85	549.91	9,161.76
Less: Impairment loss allowance	-	-	-	-	-	-
Total (A) -Net	3,639.67	3,415.76	7,055.43	8,611.85	549.91	9,161.76
(B) (i) Secured by tangible assets	-	-	-	-	-	-
(ii) Secured by intangible assets	2,253.47	934.02	3,187.49	4,405.59	514.74	4,920.33
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	1,386.19	2,481.74	3,867.93	4,206.26	35.18	4,241.43
Total (B) -Gross	3,639.67	3,415.76	7,055.43	8,611.85	549.91	9,161.76
Less: Impairment loss allowance	-	-	-	-	-	-
Total (B) -Net	3,639.67	3,415.76	7,055.43	8,611.85	549.91	9,161.76
(C) (I) Loans in India	-	-	-	-	-	-
(i) Public Deposits	-	934.02	934.02	1,785.55	-	1,785.55
(ii) Others	3,639.67	2,481.74	6,121.41	6,826.29	35.18	6,861.47
Total (C) -Gross	3,639.67	3,415.76	7,055.43	8,611.85	549.91	9,161.76
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (I) -Net	3,639.67	3,415.76	7,055.43	8,611.85	549.91	9,161.76
(C) (II) Loans Outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II) -Net	-	-	-	-	-	-
Total C(I) and C(II)	3,639.67	3,415.76	7,055.43	8,611.85	549.91	9,161.76



	Figures at the end of current reporting Period (31st Mar 2022)				Figures at the end of previous reporting Period (31st Mar 2021)			
	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
a) Term loans	-	-	-	-	-	-	-	-
(i) from banks	-	-	-	-	-	-	-	-
(ii) from other parties	-	-	-	-	-	-	-	-
(b) Deferred payment liabilities	-	-	-	-	-	-	-	-
(c) Loans from related parties	-	-	-	-	-	-	-	-
(d) Finance lease obligations	-	-	-	-	-	-	-	-
(e) Liability component of compound financial instruments	-	-	-	-	-	-	-	-
(f) Loans repayable on demand	-	-	-	-	-	-	-	-
(i) from banks	-	-	-	-	-	-	-	-
(ii) from other parties	-	-	-	-	-	-	-	-
(g) Other loans (Bank overdraft)	901.03	-	-	901.03	-	-	-	-
Total (A)	901.03	-	-	901.03	-	-	-	-
Borrowings in India	901.03	-	-	901.03	-	-	-	-
Borrowings outside India	-	-	-	-	-	-	-	-
Total (B) to tally with (A)	901.03	-	-	901.03	-	-	-	-



18 In the opinion of the Board of Directors, in the ordinary course of business, Current Assets, Loan & Advances have a value on realization at least equal to the amount at which they are stated.

19 Contingent Liabilities not provided for

Particulars	Rs. In Lacs	
	31-Mar-22	31-Mar-21
Shriram Credit Company Limited	324.98	110.82
Shriram Fortune Solutions Limited	66.21	66.21
Shriram Wealth Advisor Limited	-	-
Shriram Financial Product Solution Private Limited	37.56	37.56
Shriram Insight Share Brokers Limited	928.50	1,737.35
Shriram Assets Management Company Limited	1.51	1.51
Way 2 Wealth Securities Pvt Ltd	3,251.36	1,828.58

One of the Subsidiaries, SISBL has availed of the following facilities from HDFC Bank where its Holding Company i.e Shriram Credit Company Limited has provided "Letter of Comfort" to bank.

Nature Of Facility	Amount Sanctioned (Rs)	Amount Utilised (Rs)
(i) Debtors Funding	1,500.00	900.69
Book debts: Primary security 50% of receivable upto 7 days.		
Current Assets: Exclusive charge on Current Assets.		
Letter of comfort: Comfort letter given by Holding Company.		
Equity Shares: Partly secured by pledging of 272217 units of ICICI Prudential Liquid Fund -Growth		
(ii) Bank Guarantee to NSE/BSE	3,500.00	2,500.00
Partly secured by FD of Rs.780 lakhs, 2,26,100 units of ICICI Prudential Liquid Fund and partly by Comfort letter given by Holding Company.		
(iii) Bank Guarantee	10.00	-
Fully secured by FD.		

Way 2 Wealth Borkers (P) Ltd. has availed the following facility from Axis bank Ltd. wherein Shriram Credit Company Ltd. has provided "Letter of Comfort" to bank:

Nature Of Facility	Amount Sanctioned (Rs)	Amount Utilised (Rs)
Bank Guarantee	5,500.00	5,150.00

20 Related Party Disclosure

Holding Company	Shriram Capital Limited (SCL)
Fellow Subsidiary	Shriram Life Insurance Company (SLIC) Shriram General Insurance Company (SGIC) Shriram City Union Finance Ltd (SCUF)
Company under Common Control	Shriram Transport Finance Company Ltd (STFC)
Other Person having significant influence	Shriram Ownership Trust (SOT)

As on 31st Mar 2022

Particulars	Holding Company	Fellow Subsidiary		Company under Common Control	Other Person having Significant Influence	Total
		SCL	SLIC SCUF			
Interest Received	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Rendering of Services	-	-	2,874.97	1,570.47	-	4,445.44
Distribution Income	-	6,626.33	3,096.04	10,605.21	-	20,327.58
Rent Income	-	32.81	-	106.62	-	139.43
Other Services	-	-	1.96	24.65	-	26.61
Interest Paid	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Royalty Charges	-	-	-	-	79.34	79.34
Rent Paid	8.74	11.30	16.85	1.53	-	38.42
Reimbursement of Expenses	0.90	-	7.46	-	-	8.36
Subordinated Liability	2,400.00	-	-	-	-	2,400.00
Debit Balance Outstanding	-	-	-	-	-	-
Loans & Advances	-	-	-	-	-	-
Trade Receivable	-	-	212.74	212.98	-	425.72
Credit Balance Outstanding	-	-	-	-	-	-
Loans And Advances	-	-	-	-	-	-
Other Current Liability	-	-	0.03	8.51	-	8.54



21 | Segment Reporting

The Group is engaged in financing, share banking, distribution of financial products, commodities broking and wealth management businesses. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments. The Group operates in single geographical segment. Deferred tax asset is not included in the segment assets. Minority interest is not part of segment liabilities

Figures at the end of current reporting Period (31st Mar 2022)

Rs. In Lacs

Particulars	Rs. in Lacs				
	Financing Activity	Stock Broking	Financial Products Distribution	Wealth Management	Total
Segment Revenue	366.81	12,796.82	26,696.75	1,813.67	41,674.05
Profit Before Tax	8.98	628.40	(31.66)	(264.20)	341.52
Less: Income Taxes	1.38	149.72	37.68	98.11	286.89
Net Profit After Tax	7.61	478.68	(69.34)	(362.31)	54.64
Other Information					
Segment Assets	(945.53)	43,694.54	13,921.07	6,174.25	62,837.25
Segment Liabilities	4,249.20	23,391.01	5,502.00	972.43	34,114.64
Capital Expenditure	-	-	-	-	-
Depreciation	22.15	443.41	460.79	52.24	978.59
Other Non Cash Expenditure	38.26	-	-	-	38.26

22 Reconciliation of Basic and Diluted shares used in computing earnings per share (As per Accounting Standard 20)

Particulars	31-Mar-22	31-Mar-21
No. of shares considered as basis weighted average shares outstanding	24,063,129	24,063,129
Add: Effect of dilutive issues of shares	-	-
Number of shares considered as weighted average shares and potential shares outstanding	24,063,129	24,063,129

23 Previous year's figures have been regrouped / rearranged wherever necessary conforming to current year's classification.

24 The company entered into Pari Passu Agreement dt. 16.08.2019 with its wholly owned subsidiary Shriram Insight Share Broker Limited with respect to charge created against borrowings of the parties which are secured both against investments as also guaranteed by other parties backed by security of immovable properties. The consolidated position of these parties are as under:

Particulars	Share of		Total
	SCCL	SISBL	
Debit Balance	2,208.08	5,059.96	7,268.04
Value of Securities	94.32	3,497.41	3,591.73
Value of Properties against Guaranteed	9,137.00	6,307.39	15,444.39

Further during the quarter ended 31st December 2021 Shriram Insight Share Broker Limited has entrusted by virtue of an agreement between Shriram Credit Company Limited (SCCL) and Shriram Insight Share Broker Limited (SISBL) the responsibility to the holding company for claiming / recovery of the outstanding amounts by judicial process or otherwise.

25 The World Health Organization has declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The Government of India had also announced nationwide lockdown from March 24, 2020 to stop the spread of the pandemic in India. The extent of the impact of the outbreak and the resultant intermittent lockdown on the Company's existence as going concern and financial performance will depend on certain developments, including the duration and spread of the outbreak, lockdown etc. The continuous monitoring of the developments and taking necessary measures to mitigate the impact of the pandemic, the Company have favourable financial results for the period.

The directors consider that the Company has adequate financial resources to continue in operational existence for the foreseeable future and therefore, continue to adopt the going concern basis of accounting in preparing the financial statements.

26 Details of CSR expenditure:

Particulars	For the period ended	
	31-Mar-22	31-Mar-21
Gross amount required to be spent by the company during the year	16.78	24.67
Amount spent during the period		
Amount unpaid transferred to separate Bank Account	16.78	24.67

27 During the year, the company entered into an Investment Agreement for subscribing 50 crores compulsorily convertible preference shares (CCPs) of Re. 1/- each of Shriram Asset Management Company Ltd. Company's share of Stamp Duty paid towards Registration of aforesaid Investment Agreement has been capitalised.

28 During the year, the company has adjusted Rs. 12,01,207/- against investments made in Way 2 Wealth Securities, being liability written back against outstanding consideration.

29 As on 31/03/2022 & 31/03/2021, there are no outstanding dues to Micro and small enterprises

As per our report of even date

For K.S.Aiyar & Co.

For K.S.Aiyar & Co.
Chartered Accountants

Chartered Accountants
Firm Regn No. 100186W

B. Basu

B. Bašić
Partner

Membership No. 017474

UDIN - 22017474A1.00

Kolkata

20-May-2022

For and on behalf of the Board of Directors of
Shriram Credit Company Limited

Akhilesh Kumar Singh
Vice Chairman
DIN : 00421577

Adbhut Shankar Pathak
Chief Financial Officer

M R Shashibhushan
Managing Director
DIN : 00492377

Trina Nandi
Company Secretary

Chennai
20-May-2022

Shriram Credit Company Limited

Financial Instruments

A. Capital risk management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. There are no long term or short term borrowings. Accordingly, the capital fully funded by equity and there is no debt.

B. Categories of financial instruments

Particulars	31-03-22		31-03-21	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Loans	7,055.43	7,055.43	9,161.76	9,161.76
Other financial assets	934.02	934.02	2,284.20	2,284.20
Trade receivables	11,644.04	11,644.04	10,738.01	10,738.01
Investments	11,555.60	11,555.60	12,485.82	12,485.82
Cash and cash equivalents	24,317.28	24,317.28	19,200.01	19,200.01
Bank balances other than cash and cash equivalents	-	-	-	-
Total financial assets at amortised cost (A)	55,506.37	55,506.37	53,869.80	53,869.80
Measured at fair value through other comprehensive income (B)	-	-	-	-
Measured at fair value through profit and loss (C)	395.75	395.75	642.97	642.97
Total financial assets (A+B+C)	55,902.12	55,902.12	54,512.77	54,512.77
Financial liabilities				
Measured at amortised cost				
Trade payables	19,964.52	19,964.52	5,801.52	5,801.52
Borrowings	901.03	901.03	-	-
Operating Lease Liability	2,142.62	2,142.62	2,045.80	2,045.80
Total financial liabilities carried at amortised cost	23,008.17	23,008.17	7,847.32	7,847.32

C. Financial risk management

The Company has an Audit Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

D. Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arises principally from investments, loans and trade receivables. Exposure pertaining to these are substantially with group entities. Accordingly, there are no significant credit risks.

E. Liquidity risk management

Liquidity risk refers to the risk of financial distress arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Being a core investment company, the company generates sufficient cash flow from its operations. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Liquidity exposure as at 31 Mar 2022

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	24,317.28	-	-	24,317.28
Bank balances other than cash and cash equivalents	-	-	-	-
-Fixed Deposits	-	-	-	-
-Margin money held with banks	-	-	-	-
Trade receivables	11,644.04	-	-	11,644.04
Loans	3,639.67	3,415.76	-	7,055.43
Investments	-	-	-	-
-Investment in shares of subsidiaries & associates	-	-	-	-
-Investment in other equity shares	-	262.29	-	262.29
-Investment in mutual funds	4,738.91	2,987.66	1.50	7,726.77
-Investment in Tax free Bonds	-	-	-	-
-Investment in G. Sec	-	-	-	-
-Investments in Sub-debt	-	3,960.79	-	3,960.79
Other Financial Assets	-	-	-	-
-Interest Receivable	-	-	-	-
-Advance for Expenses	-	-	-	-
-Rent Deposit	-	934.02	-	934.02
-Other Deposit	-	-	-	-
Total financial assets	44,339.90	11,560.72	1.50	55,902.12
Financial liabilities				
Borrowings	-	-	-	-
Other payables	901.03	-	-	901.03
Operating Lease Liability	19,964.52	-	-	19,964.52
Other financial liabilities	334.08	1,808.54	-	2,142.62
-Salary Payable	-	42.98	-	42.98
-Bonus Payable	-	-	-	-
Total financial liabilities	21,199.63	1,851.52	-	23,051.15



Shriram Credit Company Limited
INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 25% plus a surcharge and education cess.

Income tax expenses		Rs. in Lacs	
Particulars	For the year ended		
	31-03-22	31-03-21	
Current tax:			
Current tax	167.27	236.48	
Tax pertaining to earlier years	84.22	(40.31)	
Deferred tax	35.39	(13.93)	
Total	286.89	182.24	

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense recognised for the year is indicated below:

Particulars	For the year ended	
	31-03-22	31-03-21
Profit before tax	341.52	773.20
Enacted tax rate in India		
Expected income tax expense at statutory tax rate	202.30	292.15
Tax impact on account of:		
Depreciation under Income-tax Act	(22.59)	(21.91)
Provision against loans & advances	(6.52)	-
Expenses allowed only on payment basis	13.54	-
Expenses not deductible in determining taxable profits	115.57	123.56
Income not taxable - Dividend, Interest from tax free bonds	-	-
Deductions allowable under tax laws	13.88	-
Short term and Long term capital gain chargeable at different rates	1.16	-
Others	(150.07)	(157.32)
Total	167.27	236.48
Effective income tax rate	48.98%	30.58%
Tax expenses as per statement of profit and loss excluding earlier year tax, if any	167.27	236.48
Deferred Tax Provision	35.39	(13.93)

Current Tax Liabilities

Particulars	As at 31-03-2022	As at 31-03-2021
Current tax Assets (Net)	1,502.80	2,380.92

Deferred Tax Liabilities

The majority of the deferred tax balance represents differential rates of depreciation for property plant and equipment under income tax act and disallowance of certain expenditure under income tax act. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31-03-2022	As at 31-03-2021
Deferred Tax Asset:		
On account of depreciation	(33.79)	29.77
On account of employee benefits	8.01	87.89
Ind As Adjustment on Security Deposit	(8.05)	1.74
MAT Credit	92.48	57.30
Others	(1,294.63)	(1,359.67)
Deferred Tax Liability:		
Mutual fund and other investments	324.38	324.38
Deferred Tax (Asset)/Liabilities (Net)	(911.60)	(858.59)



Shriram Credit Company Limited
Employee benefits

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Particulars	Rs. In Lacs	
	For the period ended 31-03-2022	For the period ended 31-03-2021
Employer's Contribution to Provident Fund (includes pension fund)	582.87	431.08

b) Defined benefit plans

The Company has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, without any ceiling limit. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2022. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Gratuity (Funded)

Particulars	31-03-22	31-03-21
Liability recognized in the Balance Sheet		
Present value of defined benefit obligation		
Opening Balance	1,252.39	1,063.35
Current Service Cost	206.17	26.17
Past Service Cost	-	89.88
Interest Cost	84.11	52.36
Actuarial Loss/(Gain) on obligation	(104.12)	(15.23)
Liability transferred In /Acquisitions	(2.08)	25.22
Benefits paid	(113.90)	10.64
Closing Balance	1,322.57	1,252.39
Less: Fair Value of Plan Assets		
Opening Balance	221.27	234.28
Expected Return on Plan assets less loss on investments	17.41	15.97
Actuarial (Loss)/Gain on Plan Assets	(3.17)	-
Employers' Contribution	98.04	-
Benefits paid	(28.20)	(28.03)
Return on Plan Assets excluding Expected Income	2.57	(0.95)
Closing Balance	307.92	221.27
Amount recognized in Balance Sheet	1,014.65	1,031.12
Expenses during the year		
Current Service cost	112.12	96.76
Past Service cost	-	-
Interest cost	38.49	32.23
Expected Return on Plan assets	-	-
Component of defined benefit cost recognized in statement of profit & loss	150.61	128.99
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(132.08)	(16.99)
- Actuarial Loss/(Gain) on Plan Assets	0.60	2.35
Component of defined benefit cost recognized in other	(131.48)	(14.65)
Total	19.13	114.34
Actual Return on plan assets	13.64	15.02

Break up of Plan Assets:

Particulars	31-03-22	31-03-21
i) Equity instruments	-	-
ii) Debt instruments	-	-
iii) Investment Funds with Insurance Company	-	-
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	100%	100%
iv) Asset-backed securities	-	-
v) Structured debt	-	-

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable



Principal actuarial assumptions

Particulars	31-03-22	31-03-21
Discount Rate	6.80% to 7.33%	6.82% to 7.79%
Expected rate(s) of salary increase	5% to 9.74%	5% to 9%
Expected return on plan assets	8.00%	8.05%
Attrition rate	2% to 39%	2% to 15%
Mortality rate during employment	Indian assured lives mortality 2012-2014 Ult.	Indian assured lives mortality 2006-2008 Ult.

Experience adjustments

Particulars	31-03-22	31-03-21
Defined Benefit Obligation	1,322.57	1,252.39
Plan Assets	307.92	221.27
Surplus / (Deficit)	(1,014.65)	(1,031.12)
Experience Adjustments on Plan Liabilities – (Loss)/Gain	18.79	9.44
Experience Adjustments on Plan Assets – (Loss)/Gain	3.17	-

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to date mortality tables, the base being the Indian assured lives mortality (2012-14) ultimate.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows:

Particulars	31-03-22	31-03-21
Defined Benefit Obligation	1,322.57	1,252.39
Plan Assets	307.92	221.27
Net (liability) /asset arising from defined benefit obligation	(1,014.65)	(1,031.12)

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected

Particulars	Impact on Defined benefit obligation	
	31-03-22	31-03-21
Discount rate - 1% Increase	261.44	171.22
Discount rate - 1% Decrease	303.91	282.49
Future salary growth - 1% Increase	303.72	280.60
Future salary growth - 1% Decrease	261.25	172.23
Attrition rate - 1% Increase	281.90	228.54
Attrition rate - 1% Decrease	280.92	218.40

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average expected remaining lifetime of the plan members is 6 years as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The Company had deployed its investment assets in an insurance plan which is invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates as compared with the investment returns from the smooth return investment plan. The liabilities' duration is not matched with the assets' duration.

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

c) Other long-term employee benefits,

Provision for long term compensated absences are measured by actuarial valuation in accordance with Ind AS-19



Shriram Credit Company Limited**Disclosure as required by Ind AS 116****As lessee:**

The Company has entered into commercial leases for leasing of premises. These leases have an average life of 2-10 years which are renewable on a periodic basis by mutual consent of both parties. There is no restriction imposed by lease arrangements such as those concerning dividends, additional debts etc.

	Particulars	31-03-22	31-03-21
(a)	Expense relating to short-term leases accounted for applying paragraph 6 of Ind AS 116*	16.29	296.15
(b)	Income from subleasing of right-of-use assets earned during the period	-	-
(c)	Total cash outflow for leases during the period	16.29	676.17
(d)	Carrying amount of right-of-use assets at the end of the reporting period	1,950.92	1,913.11

Maturity Analysis of lease undiscounted liabilities

	< 1 year	1-5 years	> 5 years	Total
As at 31-03-2022	334.08	1,808.54	-	2,142.62
As at 31-03-2021	312.94	804.74	288.96	1,406.64

*The company has elected to apply para 6 of Ind AS 116 for short term leases and leases of low-value assets. As per the same, the company has recognised the lease payments associated with those leases as an expenses in the Statement of profit and loss account.

For right-of-use assets which meet the definition of investment property, the disclosures given in (a), (b), & (d) of the above table are given in **Note 2** of the financial statements.



FORM AOC 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on 31st March, 2022

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Part "A": Subsidiary

1. Name of the Subsidiary Company	Shriram Fortune Solution Limited	Shriram Wealth Advisors Limited	Shriram Asset Management Company Limited	Shriram Insight Share Brokers Limited	Shriram Financial Products Solutions (Chennai) Private Limited	SEA Funds Management India Private Limited	Way2Wealth Securities Pvt. Ltd.	Amount in lakhs
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4. Share capital	939.40	300.00	6,000.00	350.00	100.00	108.02	4,750.15	
5. Reserves & surplus	819.39	(814.18)	(617.67)	14,216.01	6,484.36	176.44	1,613.09	
6. Total assets	5,921.11	330.32	5,590.37	20,528.99	8,093.48	299.38	25,391.30	
7. Total Liabilities	4,162.31	844.50	208.04	5,962.98	1,509.12	14.92	19,028.06	
8. Investments	43.98	Nil	5,057.07	4,019.08	4,600.87	209.84	1,963.36	
9. Turnover	20,807.19	1,223.44	489.28	5,439.01	5,889.25	100.94	7,365.09	
10. Profit before taxation	(131.72)	(231.40)	(67.25)	602.31	100.06	27.26	33.37	
11. Provision for taxation	Nil	Nil	88.35	52.32	39.87	9.76	97.40	
12. Profit after taxation	(131.72)	(231.40)	(155.60)	549.99	60.89	17.49	(64.03)	
13. Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
14. % of shareholding	95.81	100.00	68.67	100	100	100	99.75	

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations : Nil
- Names of subsidiaries which have been liquidated or sold during the year : Nil

For and on behalf of the Board of Directors of
Shriram Credit Company Limited



Akhilesh Kumar Singh
Vice Chairman
DIN : 00421577



M R Shashibhushan
Managing Director
DIN : 00492377



Adith Shankar Pathak
Chief Financial Officer



Trina Nandi
Company Secretary

Part "B": Associates and Joint Ventures- NONE

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	N.A.	N.A.	N.A.
2. Shares of Associate/Joint Ventures held by the company on the year end	N.A.	N.A.	N.A.
No.			
Amount of Investment in Associates/Joint Venture	N.A.	N.A.	N.A.
Extend of Holding %	N.A.	N.A.	N.A.
3. Description of how there is significant influence	N.A.	N.A.	N.A.
4. Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
5. Networth attributable to Shareholding as per latest audited Balance Sheet	N.A.	N.A.	N.A.
6. Profit / Loss for the year	N.A.	N.A.	N.A.
i. Considered in Consolidation	N.A.	N.A.	N.A.
ii. Not Considered in Consolidation	N.A.	N.A.	N.A.

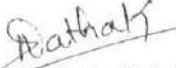
1. Names of associates or joint ventures which are yet to commence operations. - Nil

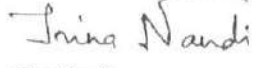
2. Names of associates or joint ventures which have been liquidated or sold during the year. - Nil

For and on behalf of the Board of Directors of
Shriram Credit Company Limited


Akhilesh Kumar Singh
Vice Chairman
DIN: 00421577


M R Shashibhushan
Managing Director
DIN: 00492377


Abhijit Shankar Pathak
Chief Financial Officer


Trina Nandi
Company Secretary