



**2022-23**

**SHRIRAM CREDIT COMPANY LIMITED**  
(CIN: U65993TN1980PLC008215)

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

Website: [www.shriramcredit.in](http://www.shriramcredit.in)

**43<sup>rd</sup> 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 43<sup>rd</sup> Annual General Meeting of the Members of Shriram Credit Company Limited will be held on **Saturday, August 26, 2023 at 12:00 p.m. (IST)** at **Shriram House, No. 4, Burkit Road, T.Nagar, Chennai-600017** to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the standalone and consolidated financial statements for the year ended 31<sup>st</sup> March, 2023 and the Reports of Directors' and Auditor's thereon.
2. To appoint a director in the place of Mr. Akhilesh Kumar Singh [DIN: 00421577], who retires by rotation and being eligible, seeks re-appointment.

### **SPECIAL BUSINESS:**

There is no special business for this year.

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

Sd/-  
**Trina Nandi**  
**Company Secretary**

**Date: May 10, 2023**  
**Place: Chennai**



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

## **NOTES:**

1. *As there is no Special Business to be transacted in the 43<sup>rd</sup> AGM of the Company, explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is not annexed hereto.*
2. *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 at [cs\\_sccl@shriram.com](mailto:cs_sccl@shriram.com)*
3. *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 during the AGM, for which purpose Members are required to send an e-mail at [cs\\_sccl@shriram.com](mailto:cs_sccl@shriram.com).*
4. *A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company.*
5. *The Instrument appointing the proxy should, however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting. A Proxy form for the AGM is enclosed.*
6. *A Person can act as a Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy.*
7. *In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.*
8. *Members /Proxies are requested to produce at the entrance, the attached admission slip for admission to the meeting hall. Duplicate admission slips will not be provided at the hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID nos. for easy identifications for attendance at the meeting.*
9. *The Annual Report for FY 2022-23 of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.shriramcredit.in](http://www.shriramcredit.in)*
10. *All documents referred to in the accompanying Notice and Statement setting out material facts are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12:00 noon up to the date of the 43<sup>rd</sup> AGM.*
11. *Shareholders seeking any information with regards to Accounts are requested to write to the Registered Office of the Company at least 15 days in advance so as to keep the information ready at the Meeting.*
12. *The Road-map w.r.t the venue of the AGM is enclosed in the Notice.*



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

## **ATTENDANCE SLIP**

(To be presented at the entrance)

### **43<sup>rd</sup> ANNUAL GENERAL MEETING**

**on**

**Saturday, August 26, 2023 at 12:00 p.m. (IST)**

**at**

**Shriram House, No. 4, Burkit Road, T.Nagar, Chennai-600017**

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxy holder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.



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

**MGT-11**  
**PROXY FORM**

*(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)*

Name of the Member(s): .....  
Registered Address: .....  
E-mail id: .....  
Folio No. / Client ID No.: ..... DP ID No.....

**I/We, being the member(s) of SHRIRAM CREDIT COMPANY LIMITED hereby appoint**

1. Name: .....  
E-mail : .....  
Address: .....  
Signature .....

or failing him/her

2. Name: .....  
E-mail: .....  
Address: .....  
Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Saturday, August 26, 2023 at 12:00 p.m. (IST) at Shriram House, No. 4, Burkit Road, T.Nagar, Chennai-600017 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon; and the report of Auditors thereon.
2. To appoint a director in the place of Mr. Akhilesh Kumar Singh [DIN: 00421577], who retires by rotation and being eligible, seeks re-appointment.

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_, 2023

Signature of shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

NOTE: This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



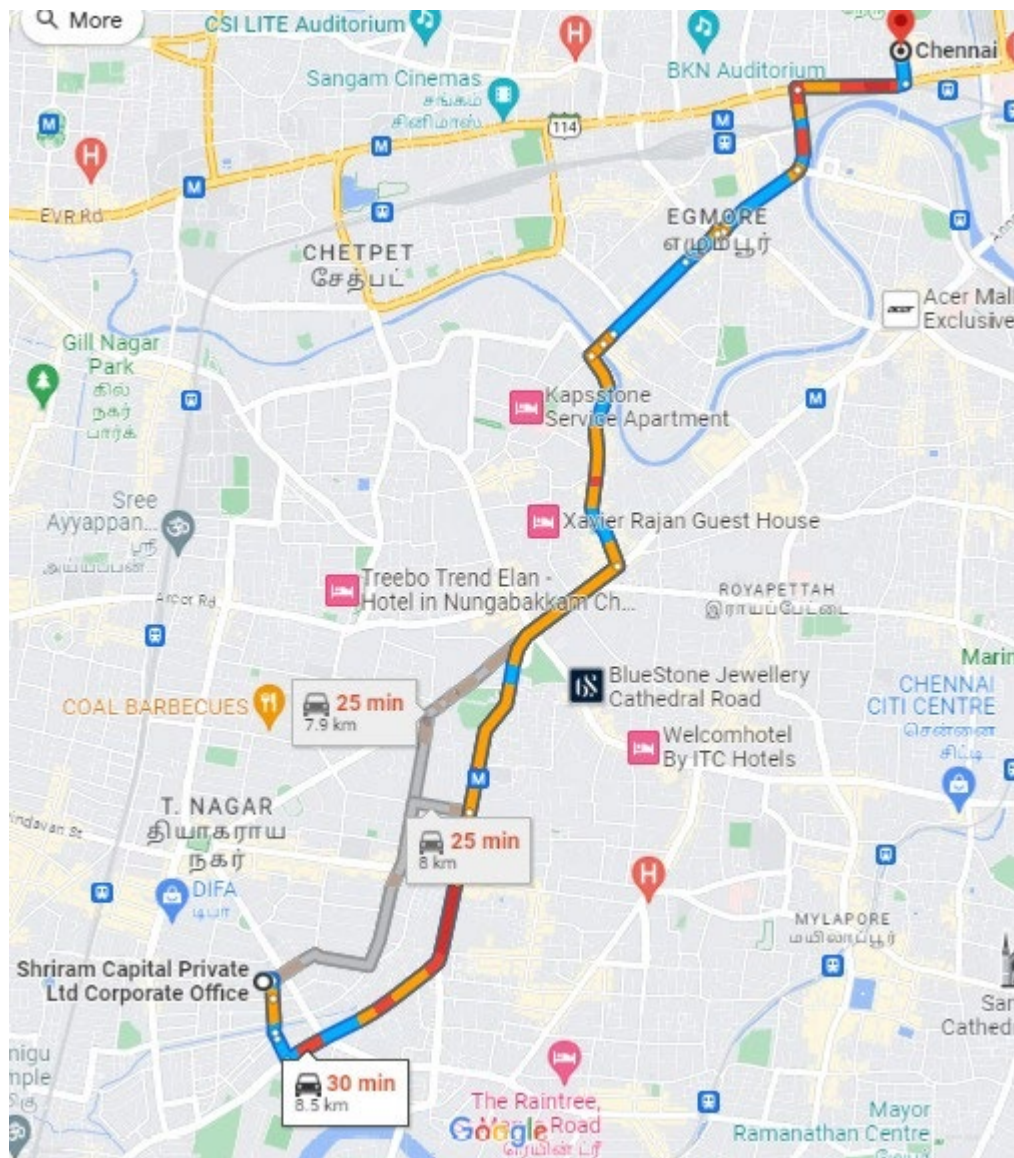
## Shriram Credit Company Ltd.

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

T.Nagar, Chennai- 600 017

CIN: U65993TN1980PLC008215

### ROUTE MAP OF VENUE OF ANNUAL GENERAL MEETING OF THE COMPANY



## BOARD'S REPORT | 2023

To  
 The Members,

Your Directors are pleased to present the Forty-third Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2023 of Shriram Credit Company Limited ('the Company').

### FINANCIAL HIGHLIGHTS

Amount in Lakhs. (Rs.)

PARTICULARS	Financial year			
	Standalone		Consolidated	
	2022-23*	2021-22	2022-23**	2021-22
<b>Gross Income</b>	<b>5560.88</b>	<b>491.70</b>	<b>35,352.27</b>	<b>41,674.05</b>
Profit Before Interest and Depreciation	49.77	189.43	886.44	1,709.68
Finance Charges	218.54	158.43	781.97	389.57
Gross Profit	(168.77)	31.00	104.47	1,320.11
Provision for Depreciation	69.77	22.15	1,007.64	978.59
<b>Net Profit Before Tax</b>	<b>(238.54)</b>	<b>8.85</b>	<b>(903.17)</b>	<b>341.52</b>
Provision for Tax	31.26	1.38	21.11	286.89
<b>Other Comprehensive Income</b>	<b>0.07</b>	<b>0.01</b>	<b>17.98</b>	<b>142.53</b>
<b>Minority Interest</b>	<b>-</b>	<b>-</b>	<b>(125.00)</b>	<b>(56.00)</b>
<b>Net Profit After Tax</b>	<b>(269.80)</b>	<b>7.48</b>	<b>(924.28)</b>	<b>54.64</b>
<b>Opening Adjustments</b>		-	-	-
Transferred to Statutory Reserve	-	(1.50)	-	(1.50)
Balance of Profit brought forward	7470.92	1,438.60	15,241.11	14,996.81
<b>Balance available for appropriation</b>	<b>7201.20</b>	<b>1,444.59</b>	<b>14,604.46</b>	<b>15,241.11</b>
Net Interim Dividend Paid	-	-	-	-
Tax on Interim Dividend	-	-	-	-
Transfer to General Reserve	-	-	-	-
<b>Surplus carried to Balance Sheet</b>	<b>7201.20</b>	<b>1,444.59</b>	<b>14,604.46</b>	<b>15,241.11</b>

*\*the standalone figures for FY 2022-23 represents the merged financials of the wholly owned subsidiary viz Shriram Financial Products Solutions (Chennai) Pvt. Ltd., and the same has been effect in the consolidated financial statements of the Company for FY 2022-23.*



## BOARD'S REPORT | 2023

---

*\*\*M/s Insight Commodities & Futures Pvt. Ltd. ("transferor company") was amalgamated with M/s Shriram Insight Share Brokers Ltd. ("transferee company"), a subsidiary company of Shriram Credit Company Ltd. (SCCL), with effect from 1<sup>st</sup> January, 2022 vide order of the Regional Director dated 19<sup>th</sup> May, 2022, which was received post the finalisation of SCCL Consolidated Financial Statements for FY 2021-22. Hence, the effect of this amalgamation is now given effect in the Consolidated Financial Statements for FY 2022-23.*

### **REVIEW OF OPERATIONS**

The Indian Stock Market continued to clock a monthly side in March with the Nifty 1.08% lower and the Sensex down by 1.29% on the back of global uncertainties fuelled by a banking crisis and persisting inflation. Major events including the collapse of the Silicon Valley Bank, Credit Suisse's buyout by rival UBS, global inflation and continuing geopolitical tensions kept the stock markets on the edge. Domestic markets in India have been performing in line with the global correction and March volatility is expected to spill over to April given the uncertain situation in the U.S. banking system.

Despite the challenging times for global market, your Company has during the year under review had earned a standalone total income of **Rs. 5560.88 Lacs** and a loss of **Rs. 269.72 Lacs** as compared to the total income of Rs. 491.70 Lacs and a Net Profit after Tax of Rs. 7.48 Lacs earned during the last year.

### **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, consequent to the amalgamation of Shriram Financial Products Solutions (Chennai) Pvt. Ltd. (wholly owned subsidiary) with the Company, there is a change in capital structure of the Company. The authorised equity share capital of the Company has increased from Rs. 25,00,00,000 to Rs. Rs. 27,00,00,000, the details of which are mentioned below:

*The Authorised Share Capital: Rs.52,00,00,000 (2,70,00,000 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)*

#### **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.



## BOARD'S REPORT | 2023

---

### **d. RIGHTS ISSUE**

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

### **DIVIDEND & TRANSFER TO RESERVES**

Keeping in view of the future strategic initiatives of the Company, your Directors did not recommend any dividend for both equity and preference shares for the year ended 31 March, 2023.

Your Company has not transferred any sum to Statutory Reserve in terms of Section 45 IC of Reserve Bank of India Act, 1934 as it has incurred loss for FY 2022-23.

### **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 the Company has not declared any dividend on equity as well as preference shares during last year.

### **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS**

With an intent to maximize the overall shareholder value, effective and efficient use of infrastructure facilities, optimum utilisation of financial resources, managerial, technical and marketing expertise and to avail benefits of economies of scale, the Company (Transferee Company) was of the view to amalgamate with its Wholly-owned subsidiary Company, Shriram Financial Products Solutions (Chennai) Private Limited (Transferor Company).

The Board of Directors of the Transferor as well as the Transferee Company had formulated a scheme of Amalgamation for the benefit of the stakeholders of both the Companies along with the transfer and vesting of the entire Undertaking of the Transferor Company with and into the Transferee Company which was considered and approved by the Members of both the Companies in duly convened meetings.

In relation to the aforesaid, and in accordance with the provisions contained in Section 233 of the Companies Act, 2013, the Company had made an application along with the Scheme of Amalgamation (Merger) as formulated by the Transferor and the Transferee Companies, to the Regional Director, Chennai for their approval and the order (CP No. 03/S.233/2023-24) in Form CAA-12 approving the same was passed on 18<sup>th</sup> April, 2023 with effect from 01<sup>st</sup> January, 2023.

The Amalgamation will result in improving the financial position of the Amalgamated entity and simplifying the group structure by eliminating multiple companies having similar objectives. Additionally, the rationalization of Management and Administrative sector will contribute towards the profitability of the Amalgamated entity.

Accordingly, the standalone financial statements of the Company for FY 2022-23 represents the merged accounts of its wholly owned subsidiary, Shriram Financial Products Solutions (Chennai) Private Limited.

## BOARD'S REPORT | 2023

---

### **DIRECTORS & KEY MANAGERIAL PERSONNEL**

**a. Appointment of Directors:**

The re-appointment of Dr. Saleem K. Ali [holder of DIN: 07296177] as an Independent Director of the Company was ratified for a second term of 5 years at the 42<sup>nd</sup> Annual General Meeting of the Company held on 26<sup>th</sup> July, 2022.

There were no other instances of appointment of Directors during the year under review.

**b. Resignation/ Cessation of Directors:**

There were no instances of resignation/ cessation of Directors during the year under review.

**c. Retirement by Rotation:**

Mr. Akhilesh Kumar Singh [holder of DIN: 00421577], Director will retire by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

**d. Whole-time Key Managerial Personnel:**

Mr. Adbhut Shankar Pathak, the Chief Financial Officer of the Company who was also the whole-time Key Managerial Personnel had been re-designated w.e.f 10<sup>th</sup> November, 2022, and hence he ceases to hold the position of Chief Financial Officer & whole-time Key Managerial Personnel. Necessary filings w.r.t the change in Designation have been filed with the Registrar of companies, Tamil Nadu.

**e. Change in Designation of the Directors:**

There has been no change in the designation of the Directors during the year under review.

### **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

## BOARD'S REPORT | 2023

---

7. Finance Committee
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 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.

- a. Policy on Related party Transactions
- b. Nomination & Remuneration Policy
- c. Corporate Social Responsibility Policy
- d. Loan cum Credit Policy
- e. Investment Policy
- f. Liquidity Management 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](http://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

## BOARD'S REPORT | 2023

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 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](http://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 Company also has in place Fit & Proper Policy framed in terms of paragraph 72 (iv) of Chapter XI of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016. The policy is available on the website of the Company and can be accessed at [www.shriramcredit.in](http://www.shriramcredit.in).

The Company has constituted Nomination & Remuneration Committee in terms of Section 178(3) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Qualifications of the Directors), Rules, 2014 wherein it has two Independent Directors. The Nomination & Remuneration 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

## BOARD'S REPORT | 2023

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

During the Financial Year 2022-23, the Committee has met two times.

The performance of the members of the Board, and the Board as a whole were evaluated at the meeting of Independent Directors held on 10th February, 2023.

### **BOARD MEETINGS**

During the year under review, the Board of Directors met 4 times respectively on 20<sup>th</sup> May, 2022, 5<sup>th</sup> August, 2022, 11<sup>th</sup> November, 2022 and 10<sup>th</sup> February, 2023.

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

Name of the Directors	Designation	Board Meeting Dates				No. of meetings attended
		20 <sup>th</sup> May, 2022	5 <sup>th</sup> August, 2022	11 <sup>th</sup> November, 2022	10 <sup>th</sup> February, 2023	
Akhilesh Kumar Singh	Vice-Chairman & Executive Director	✓	✓	✓	✓	4
M.R. Shashibhushan	Managing Director	✓	✓	✓	✓	4
D.V.Ravi	Non-executive Director	✓	✓	✓	✓	4
Umesh G. Revankar	Non-executive Director	✓	✗	✓	✓	3
Jasmit Singh Gujral	Non-executive Director	✓	✗	✗	✗	1
Dr. Saleem K.Ali	Independent Director	✓	✓	✓	✓	4
Mohan Natarajan	Independent Director	✓	✓	✓	✓	4

- ✓ Present in the meeting
- ✗ Aailed leave of absence

### **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

Your Company has constituted an Audit Committee in terms of Section 177 of the Companies Act, 2013 read with 6 of Companies (Meetings of Board and its Powers) Rules, 2014, wherein it has two Independent Directors.

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

## BOARD'S REPORT | 2023

---

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

During the Financial Year 2022-23, the Committee met four times. The meetings of the Audit Committee were also attended by other Directors, Chief Financial Officer, and Permanent Invitees as the special invitees. The Company Secretary acts as Secretary of the 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.

### **REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES & ASSOCIATE COMPANIES**

The Company has eight subsidiary companies as on 31st March 2023, namely Shriram Asset Management Company Ltd. (SAMCL), Shriram Insight Share Brokers Ltd. (SISBL), Shriram Fortune Solutions Ltd. (SFSL), Shriram Wealth Ltd. (SWL), SEA Funds Management India Private Limited (SEA), Way2Wealth Securities Pvt. Ltd (W2WS), Way2Wealth Brokers Pvt. Ltd.(W2WB), subsidiary of Way2Wealth Securities Pvt. Ltd and Way2Wealth Commodities Pvt. Ltd (W2WC), subsidiary of Way2Wealth Brokers Pvt. Ltd.

- a. **Shriram Asset Management Company Limited** - The Company during the year under review posted total income of Rs. 583.61 Lacs and a loss of Rs. 403.08 Lacs as compared to the total income of Rs. 489.28 Lacs and a loss of Rs. 155.60 Lacs during the preceding year.
- b. **Shriram Fortune Solutions Limited** - The Company during the year under review posted a total income of Rs. 17516.23 Lacs and a Net profit after tax of Rs. 119.72 Lacs as compared to total income of Rs. 20807.49 Lacs and a loss of Rs. 131.72 Lacs during the preceding year.
- c. **Shriram Insight Share Brokers Limited** - The Company during the year under review had earned a total income of Rs. 5050.77 Lacs and a Net Profit after Tax Rs. 379.28 Lacs of as compared to the total income of Rs. 5439.01 Lacs and a Net Profit after Tax of Rs. 549.99 Lacs during the preceding year.
- d. **Shriram Wealth Limited [Previously known as Shriram Wealth Advisors Ltd.]**- The Company during the year under review posted total Company has earned a total income of Rs. 965.29 Lacs and a loss of Rs. 90.20 Lacs as compared to the total income of Rs. 1223.44 Lacs and a loss of Rs. 231.40 Lacs during the preceding year.
- e. **SEA Funds Management India Private Limited** - The Company during the year under review posted total Company has earned a total income of Rs. 86.56 Lacs and a profit after tax of Rs. 21.26 Lacs as compared to the total income of Rs. 100.94 Lacs and a profit after tax of Rs. 17.49 Lacs during the preceding year.
- f. **Way2Wealth Securities Pvt. Ltd** - The Company during the year under review posted a total income of Rs. 993.68 Lacs and a loss of Rs. 186.15 Lacs in FY 2022-23 as compared to the total income of Rs.678.29 Lacs and a profit after tax of Rs. 19.44 Lacs during the preceding year.
- g. **Way2Wealth Brokers Pvt. Ltd** - The Company during the year under review posted total income of Rs. 5385.98 Lacs and a loss of Rs. 458.96 Lacs as compared to the total income of Rs.6738.79 Lacs and loss of Rs. 77.04 Lacs during the preceding year.

## BOARD'S REPORT | 2023

---

- h. **Way2Wealth Commodities Pvt. Ltd** - The Company during the year under review posted total income of Rs. 22.03 Lacs and loss of Rs. 36.38 Lacs as compared to the total income of Rs. 109.39 Lacs and a loss of Rs. 6.43 Lacs during the preceding year.

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 Statements of our subsidiaries in the prescribed **Form AOC-1** is attached to the Financial Statement of the Company.

In accordance with Section 136 of the Act, the Annual Report of Company, containing therein its Standalone and Consolidated Financial Statements are available on the Company's website at [www.shriramcredit.in](http://www.shriramcredit.in)

### **SUBSIDIARIES / ASSOCIATE COMPANIES ACQUIRED/ CEASED / REVIVED DURING THE YEAR**

**a. Subsidiaries/ associate companies acquired:**

During the year under review, no new subsidiaries or associates have been acquired by the Company.

**b. Subsidiaries ceased during the year:**

- Pursuant to the order passed by Regional Director, Chennai, approving the Scheme of Amalgamation of the Company with its wholly-owned subsidiary, Shriram Financial Products Solutions (Chennai) Private Limited, with effect from 1<sup>st</sup> January, 2023; the latter Company is now amalgamated with the Company.
- Pursuant to the order passed by Regional Director, Chennai, the Scheme of Amalgamation of Shriram Insight Share Brokers Ltd. with its wholly-owned subsidiary, Insight Commodities & Futures Private Limited, with effect from 1<sup>st</sup> January, 2022; the latter Company is now amalgamated with Shriram Insight Share Brokers Ltd.

Both Shriram Financial Products Solutions (Chennai) Private Limited and Insight Commodities & Futures Private Limited have ceased to become the subsidiaries of Shriram Credit Company Ltd.

### **DEPOSITS**

As your Company is a Non-Deposit Taking Systemically Important NBFC (NDSI), it has not accepted any deposits during the year under review. The Board of Directors have passed a Circular Resolution dated 27<sup>th</sup> April, 2023 confirming that neither the Company has accepted deposits during the preceding financial year nor it would not accept deposits for FY 2023-24 as well.

### **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.



## BOARD'S REPORT | 2023

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.

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 re-appointed by the Board of Directors as the Statutory Auditors for a second term of five years at the 42<sup>nd</sup> Annual General Meeting held on 26th July, 2022 until the conclusion of the 47<sup>th</sup> Annual General Meeting of the Company, to be held in the year 2027.

M/s K.S.Aiyar & Co., Chartered Accountants, being eligible, continue to act as the Statutory Auditors of the Company for the Financial Year 2022-23.

## BOARD'S REPORT | 2023

---

### **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 31<sup>st</sup> March, 2023.

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.

### **CORPORATE SOCIAL RESPONSIBILITY**

Our CSR Committee consist of the following directors as it's Members as on 31<sup>st</sup> March, 2023:

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](http://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.

# BOARD'S REPORT | 2023

## 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 2022-23 (in lakhs)
Gross Salary	130.03
Incentives	-
Bonus	-
Perquisites	-
Leave Encashment paid in FY 2022-23	-
Contribution to NPS	9.29
Shares held by him	-

## 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.

## EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an Annual Return of the Company for F.Y 2020 can be accessed at the website of the Company at [www.shriramcredit.in](http://www.shriramcredit.in)

The e-form MGT-7 shall be filed with the MCA upon the completion of the 43<sup>rd</sup> 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.

## 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 Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

## BOARD'S REPORT | 2023

Pursuant to the provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the complaints received thereunder and the details relating thereto are as follows:

- (a) Number of complaints received in the year: Nil
- (b) Number of complaints disposed of during the year: Nil
- (c) Number of cases pending more than ninety days: Nil
- (d) Nature of action taken by the employer or district officer: Nil

It may be mentioned here that the Company has zero tolerance towards any action on the part of any executive / staff which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to upholding and maintaining the dignity of every women executive / staff working in the Company.

### **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**

Your Board of Directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

### **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).

### **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**

Our professionals are our most important assets. We are committed to hiring and retaining the best talent and being among the industry's leading employers. For this, we focus on promoting a collaborative, transparent and participative organization culture, and rewarding individual contribution and innovation. The focus of our human resources management is to enable our employees to navigate their next, not just for clients, but also for themselves.

As we look back, we would like to thank all employees for their support and commitment throughout the year.



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

## BOARD'S REPORT | 2023

### REGISTRAR AND TRANSFER AGENT – SHARE REGISTRY RELATED SERVICES

The share related registry operations have been delegated to our Registrar and Share Transfer Agent M/s. Shriram Insight Share Brokers Ltd., Kolkata (HO).

Address for correspondence:  
Shriram Insight Share Brokers Ltd.  
CK 5, Sector II, Salt Lake City, Kolkata- 700091

Shareholders Grievance/ queries can be sent through email to any of the following designated email ids [isbcal@hotmail.com](mailto:isbcal@hotmail.com)

Shareholders can also send their correspondence to the Company with respect to their shares, request for annual reports and other shareholder grievances. The contact details are provided below:

Ms. Trina Nandi  
Company Secretary  
Shriram Credit Company Ltd.  
CK 5, Sector II, Salt Lake City, Kolkata- 700091  
Phone: 9830368162  
Email: [cs\\_sccl@shriram.com](mailto:cs_sccl@shriram.com)

### 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.**

Sd/-  
**Akhilesh Kumar Singh**  
Vice Chairman & Executive Director  
DIN: 00421577

Sd/-  
**M.R.Shashibhushan**  
Managing Director  
DIN: 00492377

**Date: 10<sup>th</sup> May, 2023**  
**Place: Chennai**

## Annexure 'A' to BOARD'S REPORT| 2023

### 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, 2023, 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, 2023 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)	NIL (As Loss declared for full Year)
Shriram Insight Share Brokers Ltd.	Subsidiary Company	Continuing till date	DP Charges	0.03
Shriram Insight Share Brokers Ltd.	Subsidiary Company	Continuing till date	Reimbursement of Expenses	12.19
Shriram Insight Share Brokers Ltd.	Subsidiary Company	Continuing till date	Interest Payment	111.21
Way2Wealth Brokers Private Limited	Subsidiary Company	Continuing till date	Reimbursement of Expenses	2.15
Way2Wealth Commodities Private Limited	Subsidiary Company	Continuing till date	Reimbursement of Expenses	5.57



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

## Annexure 'A' to BOARD'S REPORT| 2023

Way2Wealth Brokers Private Limited	Subsidiary Company	Continuing till date	Interest Payment	107.33
Shriram Transport Finance Company Limited (Now Shriram Finance Ltd)	Fellow Subsidiary till November, now its part of Shriram Group.	01.04.2022 to 28.02.2023	Rent payment for the use of infrastructure	9.16

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.**

Sd/-  
**Akhilesh Kumar Singh**  
Vice Chairman & Executive Director  
DIN: 00421577

Sd/-  
**M.R.Shashibhushan**  
Managing Director  
DIN: 00492377

**Date: 10<sup>th</sup> May, 2023**  
**Place: Chennai**



## Annexure 'B' to BOARD'S REPORT| 2023

### 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 <sup>th</sup> November, 2007.
6.	Age	60 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., Shriram Insight Share Brokers Ltd. and Shriram Asset Management Company 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| 2023**

### **DETAILS OF REMUNERATION RECEIVED DURING THE YEAR NEEDS TO BE GIVEN**

<b>Sl. No.</b>	<b>Particulars of Remuneration for FY 2022-23</b>	<b>Amount in lakhs</b>
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	130.03
	(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 2022-23	-
2.	Contribution to NPS	9.29
<b>TOTAL</b>		<b>139.32</b>

Notes:

1. No employee was employed for a part of the FY 2022-23 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 2022-23 or part thereof.

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

**Sd/-**  
**Akhilesh Kumar Singh**  
**Vice Chairman & Executive Director**  
DIN: 00421577

**Sd/-**  
**M.R. Shashibhushan**  
**Managing Director**  
DIN: 00492377

**Date: 10<sup>th</sup> May, 2023**  
**Place: Chennai**

9 Syed Amir Ali Avenue  
Flat 2 4th Floor  
Kolkata 700 017 India  
Tel: 91 33 2281 7652 / 2281 7653  
Fax: 91 33 2281 7654  
Grams : VERIFY  
www.KSAiyar.com  
Kolkata@KSAiyar.com

## 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, 2023, 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, 2023 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. Emphasis of Matter**

We invite attention to Note no. 38 of the financial statements regarding scheme of amalgamation between M/s. Shriram Credit Company Limited ("Transferee Company") and its wholly owned subsidiary company M/s. Shriram Financial Products Solution (Chennai) Private Limited ("Transferor Company"), pursuant to provisions of Section 233 and other applicable provisions was approved by the Regional Director, Chennai, vide order dated April 18, 2023 with effect from January 1, 2023.

The amalgamation was accounted as a common control business combination in accordance with the accounting prescribed under "Pooling of Interest Method" as laid down in Appendix C of Ind AS 103 (Business Combinations of entities under common control) and as per the specific provisions of the scheme.

The financial statements of the Transferor company has been audited by other auditor, the Report of which has been furnished to us by the Management, and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of the Transferor Company, is based solely on the report of the other auditor and procedures performed by us.

**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.

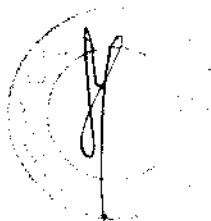
Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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.

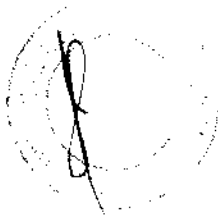
In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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.

A handwritten signature in dark ink is written over a circular, faint stamp or watermark. The signature is stylized and appears to be a single character or a very short word.

**7. Other Matters**

Attention is drawn to:

- a) Note No. 29: The entire stake of Shriram Capital in the Company (99.99% of Holding) has been transferred to Shriram Investment Holdings Limited in November 2022;
- b) Note No.5 regarding investment in Shriram Wealth Limited.

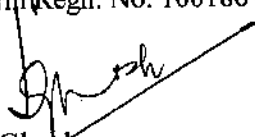
**8. Report on Other Legal and Regulatory Requirements**

- (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 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 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

  
S. Ghosh  
Partner  
Membership No.: 050927

UDIN: 23050927BGYEBU5273

Place: Mumbai  
Date: 10-05-2023





## 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.

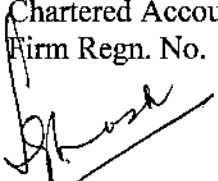


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

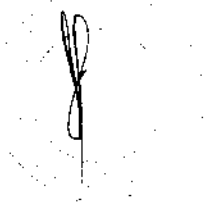
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless 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

  
S. Ghosh  
Partner  
Membership No.: 050927

UDIN: 23050927BGYEUBU5273

Place: Mumbai  
Date: 10-05-2023



**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, 2023**

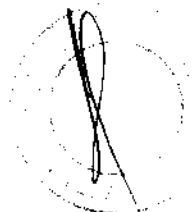
To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i.
  - (a) 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.
  - (b) 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.
  - (c) The Company has not revalued any of its Property, Plant and Equipment during the year.
  - (d) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 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) The Company has provided guarantee in respect of facilities availed from Bank by its subsidiaries. The balance outstanding as at 31<sup>st</sup> March, 2023 in respect of guarantee given is Rs. 90 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, 2023 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 2014-15	1,03,78,860
Income Tax Act, 1961	Income Tax Demand	CIT (Appeal)	AY 2018-19	8,25,620
Income Tax Act, 1961	Income Tax Demand	Jurisdiction Assessing Officer	AY 2020-21	7,67,190

- 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).

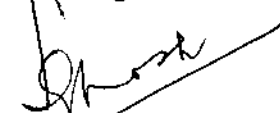


- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any term 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.



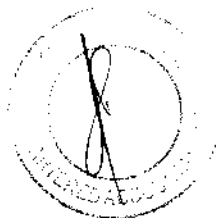
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is registered under section 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 causes 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

  
S. Ghosh  
Partner  
Membership No.: 050927

UDIN: 23050927BGYEUBU5273

Place: Mumbai  
Date: 10-05-2023



**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, 2023**

We have audited the internal financial controls over financial reporting of Shriram Credit Company Limited (“the Company”) as of March 31, 2023 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 Emphasis of Matter.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

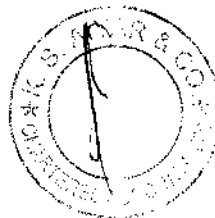
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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

S. Ghosh  
Partner  
Membership No.: 050927



UDIN: 23050927BGYEUBU5273

Place: Mumbai  
Date: 10-05-2023

**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 March 2023

	Particulars	Note No.	Amount (in Rs. Lacs)	Amount (in Rs. Lacs)
			As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
<b>I</b>	<b>ASSETS</b>			
(1)	<b>Financial Assets</b>			
	(a) Cash and Cash Equivalents	2	339.21	72.02
	(b) Bank Balances other than (a) above	2	1,250.72	-
	(c) Trade receivables	3	235.25	-
	(d) Loans	4	1,333.74	2,282.32
	(e) Investments	5	18,048.79	11,852.78
	(f) Other Financial Assets	6	243.33	21.00
			<b>21,451.04</b>	<b>14,228.13</b>
(2)	<b>Non Financial Assets</b>			
	(a) Current Tax Assets (Net)	7	441.64	137.04
	(b) Deferred Tax Assets (Net)	8	-	38.26
	(c) Property, Plant & Equipment	9	1,955.64	1,978.14
	(d) Capital Work - in - Progress		7.08	7.08
	(e) Other Non- Financial Assets	10	207.29	45.73
			<b>2,611.64</b>	<b>2,206.25</b>
	<b>Total Assets</b>		<b>24,062.68</b>	<b>16,434.38</b>
<b>II</b>	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
(1)	<b>Financial Liabilities</b>			
	(a) Payables			
	(i) Trade Payables			
	(i) Total outstanding dues of creditors other than micro enterprises and small enterprises	11	399.23	1.09
	(b) Borrowings	12	2,250.00	1,600.00
	(c) Subordinated Liability	18	2,400.00	2,400.00
	(d) Other Financial Liabilities	13	159.88	8.75
			<b>5,209.11</b>	<b>4,009.85</b>
(2)	<b>Non Financial Liabilities</b>			
	(a) Provisions	14	16.85	11.82
	(b) Deferred Tax Liabilities (Net)	15	137.06	-
	(c) Other Non- Financial Liabilities	16	209.85	227.53
			<b>363.76</b>	<b>239.35</b>
(3)	<b>EQUITY</b>			
	(a) Equity Share Capital	17	2,406.31	2,406.31
	(b) Other Equity	19	16,083.50	9,778.87
			<b>18,489.81</b>	<b>12,185.18</b>
	<b>Total Liabilities &amp; Equity</b>		<b>24,062.68</b>	<b>16,434.38</b>
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

S. Ghosh  
 Partner

Membership No. 050927

UDIN - 23050927BGYEBU5273

Akhilesh Kumar Singh  
 Vice Chairman  
 DIN: 00421577

M R Shashibhushan  
 Managing Director  
 DIN: 00492377

Trina Nandi

Trina Nandi  
 Company Secretary

Place : Chennai  
 Date: 10.05.2023

Place : Mumbai  
 Date: 10.05.2023



**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 March 2023**

	Particulars	Note	Amount (in Rs. Lacs)	Amount (in Rs. Lacs)
			For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
	<b>Revenue From Operations</b>			
	(i) Interest Income	20	292.95	362.15
	(ii) Sale of services	21	5,010.20	-
	(iii) Net Gain on Fair value changes	22	107.78	(62.37)
(I)	<b>Total Revenue from Operations</b>		<b>5,410.93</b>	<b>299.78</b>
(II)	Other Income	23	149.94	191.91
(III)	<b>Total Income (I+II)</b>		<b>5,560.88</b>	<b>491.70</b>
	<b>Expenses</b>			
	(i) Employee Benefits Expenses	24	1,950.17	206.03
	(ii) Depreciation, amortization and Impairment	9	69.77	22.15
	(iii) Finance Cost	25	218.54	158.43
	(iv) Other Expenses	26	3,564.73	57.98
	(v) Provisions and Write offs	27	(3.79)	38.26
(IV)	<b>Total Expenses (IV)</b>		<b>5,799.41</b>	<b>482.85</b>
(V)	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>(238.54)</b>	<b>8.85</b>
(VI)	Exceptional items		-	-
(VII)	<b>Profit/(loss) before tax (V-VI)</b>		<b>(238.54)</b>	<b>8.85</b>
(VIII)	Tax Expenses			
	(a) Current Tax		-	9.03
	(b) Deferred Tax	8 & 15	26.89	(7.66)
	(c) Earlier Year Tax		4.37	-
	<b>Total Tax Expenses</b>		<b>31.26</b>	<b>1.38</b>
(IX)	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>(269.80)</b>	<b>7.48</b>
(X)	Other Comprehensive Income			
	(i) Items that will not be reclassified in Profit or Loss - Remeasurement defined employee benefit plan		0.10	0.01
	(ii) Income tax relating to items that will not be reclassified to Profit & Loss		(0.03)	(0.00)
(XI)	<b>Total Comprehensive Income for the year</b>		<b>(269.72)</b>	<b>7.48</b>
(XII)	<b>Earning per Equity Share (for Continuing operations)</b>			
	(1) Basic (in Rs.)		(1.12)	0.03
	(2) Diluted (in Rs.)		(1.12)	0.03

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

S. Ghosh  
 Partner

Membership No. 050927

UDIN- 23050927BGYE BU5273

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

Akhilesh Kumar Singh  
 Vice Chairman  
 DIN: 00421577

M R Shashishashan  
 Managing Director  
 DIN: 00492377

Trina Nandi

Trina Nandi  
 Company Secretary

Place : Mumbai  
 Date: 10.05.2023

Place : Chennai  
 Date: 10.05.2023



**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 Year ended 31st March 2023

(Amount in Rs. Lacs)

Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax	(238.54)	8.85
Other Comprehensive Income	0.07	0.01
Provisions & Write offs	(3.79)	(29.29)
Profit on sale of current investments	(107.75)	(80.86)
Provision for gratuity	(117.69)	-
(Gain)/Loss on Right of Use Asset	(17.53)	-
Finance costs	9.96	-
Interest income on Bank Deposits and Debentures	10.28	-
Depreciation	69.77	22.15
Unrealized Profit on MF	(0.01)	62.37
<b>Operating profit before change in working capital</b>	<b>(395.23)</b>	<b>(16.78)</b>
<b>Movements in Working Capital:</b>		
Decrease / (Increase) in Loans	948.58	131.00
Decrease / (Increase) in Other current assets	(1,324.68)	308.06
Increase / (Decrease) in Trade Payables	(691.94)	0.12
Increase / (Decrease) in Other current liabilities	1,534.15	(71.28)
Increase / (Decrease) in Provisions	8.82	0.65
Increase / (Decrease) in other non current assets	31.61	-
<b>Net cash from / (used in) operating activities</b>	<b>111.31</b>	<b>351.78</b>
Direct taxes paid	162.57	9.15
<b>Net Cash from / (used in) operating activities</b>	<b>273.87</b>	<b>360.92</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Subsidiaries	-	-
Net sale / Purchase of Investments	(3,096.78)	84.13
Interest Received on NCD	-	-
Net sale / Purchase of Fixed Assets	6.53	(4.48)
Proceeds from sale/(purchase) of mutual funds (net)	(0.60)	-
Proceeds from Investment/ Closure of Bank Deposits	449.28	-
Redemption of investment -RNCPS	1,600.00	-
<b>Net Cash from / (used in) investing activities</b>	<b>(1,041.58)</b>	<b>79.65</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Unsecured borrowings (net)	650.00	(413.85)
RNCPS	-	-
Interest paid	-	-
<b>Net Cash from / (used in) Financing activities</b>	<b>650.00</b>	<b>(413.85)</b>
<b>Total increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(117.70)</b>	<b>26.72</b>
<b>Cash and Cash equivalents as at the beginning of the year</b>	<b>456.91</b>	<b>45.30</b>
<b>Cash and Cash equivalents at the end of the period</b>	<b>339.21</b>	<b>72.02</b>
<b>D Components of Cash and Cash Equivalents</b>		
<b>Cash and Cash Equivalents at the end of the period</b>		
i) Cash on hand	0.66	1.00
iii) Balances with scheduled banks in Current accounts	338.55	71.02
<b>Total cash and cash equivalents (Note 2)</b>	<b>339.21</b>	<b>72.02</b>

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

S. Ghosh  
 Partner  
 Membership No. 050927  
 UDIN - 23050927BQYEBU5273

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

Akhilesh Kumar Singh  
 Vice Chairman  
 DIN: 00421577

M R Shashibhusan  
 Managing Director  
 DIN: 00492377



Trina Nandi  
 Company Secretary

Place : Mumbai  
 Date: 10.05.2023

Place : Chennai  
 Date: 10.05.2023

**A. Equity Share Capital**

Particulars	Amount in Rs. Lacs
Balance as at 1st April 2022	2,406.31
Changes in equity share capital during the Period	-
Balance as at 31st March 2023	2,406.31

**B. Other Equity**

Particulars	Amount in Rs. Lacs
Balance as at 1st April 2021	2,406.31
Changes in equity share capital during the year	-
Balance as at 31st March 2022	2,406.31

**C. Other Equity**

As on 31st March 2023

Particulars	Reserves and Surplus					Total
	Capital Reserve	Statutory Reserve	Securities Premium Reserve	General Reserve	Remeasurement of Defined Benefit Plans	
Balance as at 1st April 2022	25.00	957.48	7,336.53	110.27	363.02	16,283.22
Transfer for the period ended 31st Mar 2023 (Capital Reserve on Merger)	90.00	-	-	-	-	90.00
Total Comprehensive Income for the period ended 31st Mar 2023	-	-	-	-	(269.72)	(269.72)
Adjustment against Retained Earnings	-	-	-	-	-	-
Balance as at 31st March 2023	115.00	957.48	7,336.53	110.27	363.02	16,083.50

As on 31st March 2022

Particulars	Reserves and Surplus					Total
	Capital Reserve	Statutory Reserve	Securities Premium Reserve	General Reserve	Remeasurement of Defined Benefit Plans	
Balance as at 1st April 2021	25.00	955.99	7,336.53	15.27	-	9,771.38
Transfer for the period ended 31st Mar 2022	-	1.50	-	-	(1.50)	(0.00)
Total Comprehensive Income for the period ended 31st Mar 2022	-	-	-	-	7.48	7.48
Adjustment against Retained Earnings	-	-	-	-	-	-
Balance as at 31st March 2022	25.00	957.48	7,336.53	15.27	-	9,778.87

As per our report of even date

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

S. Ghosh  
Partner

Membership No. 050927

UDIN - 230509278GYEBU5273

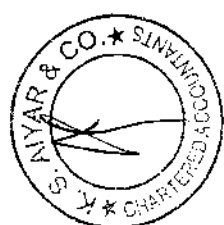
For and on behalf of the Board of Directors of  
Shriram Credit Company Limited

Akhilesh Kumar Singh  
Vice Chairman  
DIN: 00421577

M R Shashinathan  
Managing Director  
DIN: 00492377

Trina Nandi  
Company Secretary

Place : Chennai  
Date: 10.05.2023



Place : Mumbai  
Date: 10.05.2023

## (1) 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

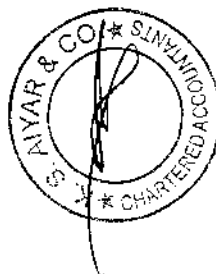
The financial statements of the Company are presented in Schedule III format of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional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



## 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.

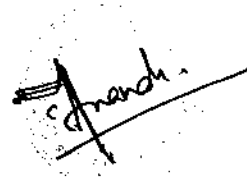
#### The Solely Payments of Principal and Interest (SPPI) test

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.



**(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.





**(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).



**(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, 2023.

**(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



- 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

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;



**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.



*Handwritten signature*

**(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:

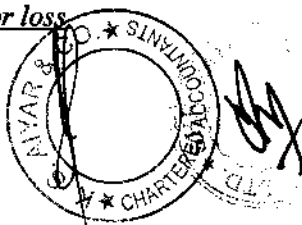
**Level 1 financial instruments** - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities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

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.

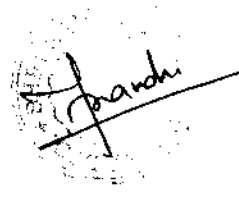
Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

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**

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, 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

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

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





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

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

*Short term employee benefit*

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

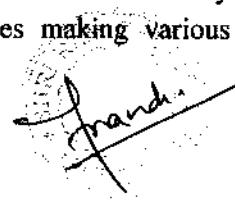
All the employees of the Company are entitled to receive benefits under the Provident Fund Scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises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



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.

*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 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.



*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**

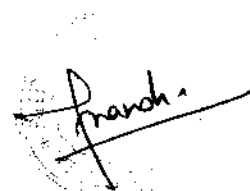
*Initial recognition:*

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.



### **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 is provided on Written Down Value (WDV) at the rates prescribed in Schedule II of the Companies Act, 2013 except Leasehold Land which is amortized over the period of lease agreement on straight line basis. Additions during the year are being depreciated on a pro-rata basis from the date on which the asset was put to use. Similarly where any asset has been sold, discarded, demolished or destroyed, the depreciation on such asset is calculated on a pro-rata basis upto the date on which such asset has been sold, discarded, demolished or destroyed.

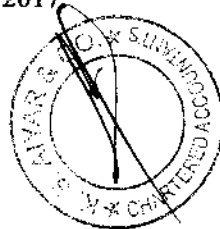
### **5.7 Intangible assets**

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



*Franchise*

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.

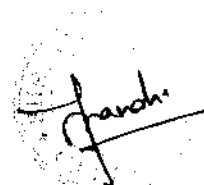
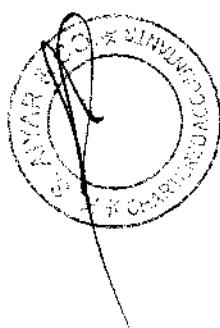
### **5.10 Contingent Liabilities**

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.



#### **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.



*Prandh.*



**SHRIRAM CREDIT COMPANY LIMITED**  
**NOTES TO ACCOUNTS**

**2 Cash and Cash Equivalents**

(Amount in Rs. Lacs)

Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
<b>Cash and cash equivalents</b>		
i. Cash on Hand	0.66	1.00
ii. Balance with Scheduled banks in current account(s)	338.55	71.02
<b>Total</b>	<b>339.21</b>	<b>72.02</b>
<b>Other Bank Balances</b>		
(i) In deposit accounts - With remaining maturity more than 3 months but less than 12 months	1,250.72	-
	<b>1,589.93</b>	<b>72.02</b>

**6 Other Financial Assets**

Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
Other Receivable	6.39	21.00
Security Deposits	4.65	-
Prepaid Deposit -GST	2.54	-
Advances to Employees	2.64	-
Advances recoverable in Cash or Kind	150.00	-
Advances for expenses	55.95	-
Interest Accrued on bank deposits	21.16	-
	<b>243.33</b>	<b>21.00</b>

**7 Current tax assets (Net)**

Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
Advance Income Tax (Net of Provisions)	441.64	137.04
	<b>441.64</b>	<b>137.04</b>

**8 Deferred Tax Assets (Net)**

Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
Opening balance	-	30.60
Add: Asset recognized during the period	-	7.66
Closing balance	-	<b>38.26</b>

**10 Other Non Financial Assets**

Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
Gratuity Fund (Net of Provisions)	192.65	-
Others	14.64	45.73
	<b>207.29</b>	<b>45.73</b>



*Handwritten signature*

**SHIRAM CREDIT COMPANY LIMITED**  
**NOTES TO ACCOUNTS**

**3 Trade receivables**

(Amount in Rs. Lacs)			
Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)	
Trade receivables - Unsecured, considered good	235.25	-	
<b>Total</b>	<b>235.25</b>	<b>-</b>	

Trade receivables are non interest bearing and generally on terms from 30 to 90 days. The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Particulars	Outstanding for following periods from due date of payment in respect of balance as at 31 March 2023				
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years
(i) Undisputed Trade receivables - considered good	235.25	-	-	-	-
					<b>235.25</b>



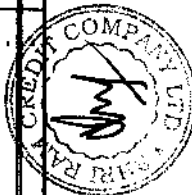
*Handwritten signature*

SHRIRAM CREDIT COMPANY LIMITED  
NOTES TO ACCOUNTS

4 Loans

(Amount in Rs. Lacs)

Loans	As on 31st March 2023(Audited)		As on 31st March 2022(Audited)	
	Fair Value through Profit & Loss Account	Amortized Cost	Fair Value through Profit & Loss Account	Amortized Cost
(A)				
(i) Bills Purchased and Bills Discounted	-	-	-	-
(ii) Loan Repayable on Demand	-	1,333.63	-	2,282.19
(iii) Term Loans	-	-	-	-
(iv) Factoring	-	-	-	-
(v) Others	-	-	-	-
- Loans and Advances to subsidiaries	-	-	-	-
- Advances recoverable in Cash or Kind	-	0.11	-	0.14
<b>Total (A)- Gross</b>	-	<b>1,333.74</b>	-	<b>2,282.32</b>
Less: Impairment Loss Allowance	-	-	-	-
<b>Total (A)- Net</b>	-	<b>1,333.74</b>	-	<b>2,282.32</b>
(B)				
(i) Secured by Tangible Assets				
- Performing Assets		1,333.63		2,270.44
- Non Performing Assets		-		-
(ii) Secured by Intangible Assets		-		-
(iii) Covered by Bank/Government Guarantees		-		-
(iv) Unsecured		-		-
- Loans and Advances to Borrowers (other than related Party)		-		-
- Performing Assets		-		11.75
- Non Performing Assets		-		-
- Loans and Advances to subsidiaries		-		-
- Performing Assets*		-		-
- Non Performing Assets		-		-
- Advances recoverable in Cash or Kind		0.11		0.14
<b>Total (B)- Gross</b>		<b>1,333.74</b>		<b>2,282.32</b>
Less: Impairment Loss Allowance		-		-
<b>Total (B)- Net</b>		<b>1,333.74</b>		<b>2,282.32</b>
(C)				
(i) Loans in India				
(i) Public Sector		-		-
(ii) Others		-		-
- Private Sector		-		-
<b>Total (C) (i)- Gross</b>		<b>1,333.74</b>		<b>2,282.32</b>
Less: Impairment Loss Allowances		-		-
<b>Total (C) (i)- Net</b>		<b>1,333.74</b>		<b>2,282.32</b>
(ii) Loans Outside India				
<b>Total (C) (ii)- Gross</b>		-		-
Less: Impairment Loss Allowances		-		-
<b>Total (C) (ii)- Net</b>		-		-
<b>Total (C) (i) and C(ii)</b>		<b>1,333.74</b>		<b>2,282.32</b>



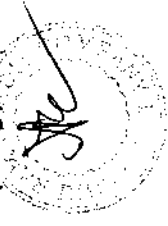
**SHIRAM CREDIT COMPANY LIMITED**  
**NOTES TO ACCOUNTS**

**5 Investments**

(Amount in Rs. Lacs)

Investments	As on 31st March 2023(Audited)			As on 31st March 2022(Audited)		
	Fair Value through Profit & Loss Account	Amortised at Cost	Total	Fair Value through Profit & Loss Account	Amortised at Cost	Total
<b>Investments</b>						
<b>(A)</b>						
(i) Mutual funds (Current Investment)	-	-	-	-	-	-
Mutual Fund						
Shriram Overnight Fund	15.56	3,103.18	3,103.18	-	-	-
ICICI Prudential Fund	-	-	15.56	-	-	-
(ii) Debt Securities (Current Investment)	-	-	-	12.73	-	12.73
(iii) Equity Instruments (Non Current Investment)	-	-	-	-	-	-
- Unquoted at cost						
Shriram Fortune Solutions Limited	-	900.00	900.00	-	900.00	900.00
Shriram Insight Share Brokers Limited	-	1,650.80	1,650.80	-	1,650.80	1,650.80
SEA Funds Management India Private Limited	-	152.93	152.93	-	152.93	152.93
Way 2 Wealth Securities Private Limited	-	6,479.44	6,479.44	-	6,479.44	6,479.44
Stamp Duty towards Acquisition of CCPS	-	-	-	-	10.01	10.01
Shriram Financial Product Solutions (Chennai) P Ltd	-	-	-	-	10.00	10.00
Shriram Seva Sankalp Foundation	-	1.40	1.40	-	1.40	1.40
Shriram Wealth Limited *	299.99	-	299.99	299.99	-	299.99
Less: Diminution in value of Investments	(239.99)	-	(239.99)	(239.99)	-	(239.99)
- Quoted at cost						
Shriram Asset Management Company Limited	-	675.48	675.48	-	675.48	675.48
(iv) Other Investments (Non Current Investment)						
Compulsorily Convertible Preference Shares	-	5,010.01	5,010.01	-	1,900.00	1,900.00
<b>Total (A)- Gross</b>	<b>75.56</b>	<b>17,973.23</b>	<b>18,048.79</b>	<b>72.73</b>	<b>11,780.05</b>	<b>11,852.78</b>
<b>(B)</b>						
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	75.56	17,973.23	18,048.79	72.73	11,780.05	11,852.78
<b>Total (B)- Gross</b>	<b>75.56</b>	<b>17,973.23</b>	<b>18,048.79</b>	<b>72.73</b>	<b>11,780.05</b>	<b>11,852.78</b>
<b>Total (A) to be tallied with (B)</b>						
Less: Allowances for Impairment Loss (C)	-	-	-	-	-	-
<b>Total- Net D= (A)-(C)</b>	<b>75.56</b>	<b>17,973.23</b>	<b>18,048.79</b>	<b>72.73</b>	<b>11,780.05</b>	<b>11,852.78</b>

\* 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.



**SHIRAM CREDIT COMPANY LIMITED**

**NOTES TO ACCOUNTS**

**9 Property Plant & Equipment (Transferee Company)**

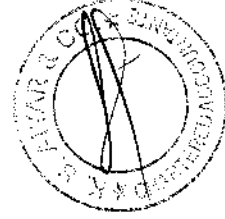
(Amount in Rs. Lacs)

Particulars	Property, Plant and Equipment				Intangible Assets	
	Computer and Equipment	Office Equipment	Leasehold Land	Total Property, Plant and Equipment	Intangible Assets	Previous Year
Gross Block						
As at Apr 01, 2022	4.87	0.17	2,124.55	2,129.60	-	2,125.11
Additions	2.05	-	-	2.05	-	4.48
Deletions	-	-	-	-	-	-
As at March 31, 2023	6.92	0.17	2,124.55	2,131.64	-	2,129.60
Depreciation						
As at Apr 01, 2022	1.07	0.16	150.22	151.45	-	129.30
Charge for the Period	3.09	-	21.46	24.55	-	22.15
Deletions	-	-	-	-	-	-
As at March 31, 2023	4.17	0.16	171.68	176.00	-	151.45
Net Block						
As at Apr 01, 2022	3.80	0.01	1,974.33	1,978.14	-	1,995.81
As at March 31, 2023	2.75	0.01	1,952.87	1,955.64	-	1,978.14

Depreciation and amortization	Year ended	
	Mar 31, 2023	Mar 31, 2022
On tangible assets	24.55	22.15
On intangible assets	-	-
Total	24.55	22.15

**CWIP Ageing**

Capital Work in Progress	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Project in Progress	-	-	7.08	-	7.08

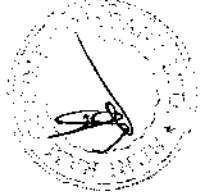


*Handwritten signature*

SHIRIAM CREDIT COMPANY LIMITED  
NOTES TO ACCOUNTS

9 Property Plant & Equipment and Right of Use Asset : (Transferor Company)

Property Plant & Equipment and Right of Use Asset : (Transferor Company)							
Particulars	Furniture & Fixtures	Electrical Equipments	Vehicles	Computers	Total Property, Plant & Equipment (A)	Right of Use Asset (B)	Total (A)+(B)
<u>Gross Carrying Amount</u>							
Closing Gross Carrying Amount as at 31 March 2021	7.44	0.75	0.21	50.87	59.26	260.03	319.29
Additions during the period	-	-	-	1.16	1.16	34.40	35.56
Deletions during theperiod					-	13.18	13.18
Closing Gross Carrying Amount as at 31 March 2022	7.44	0.75	0.21	52.03	60.42	281.25	341.67
Additions during the period	-	-	-	-	-	92.89	92.89
Deletions during theperiod	7.44	0.75	0.21	52.03	60.42	374.14	434.56
Closing Gross Carrying Amount as at 31 March 2023	-	-	-	-	-	-	-
<u>Accumulated Depreciation / Amortization</u>							
Closing Gross Carrying Amount as at 31 March 2021	5.14	0.48	0.15	43.51	49.28	119.11	168.39
Amortisation/Depreciation during the year	0.59	0.07	0.01	1.09	1.76	59.33	61.09
Deletions during the year	-	-	-	-	-	5.36	5.36
Closing Gross Carrying Amount as at 31 March 2022	5.74	0.55	0.16	44.60	51.05	173.09	224.13
Amortisation/Depreciation during the year	0.41	0.04	0.01	0.35	0.80	44.42	45.21
Deletions during the year	6.14	0.58	0.17	44.95	51.85	217.50	269.35
Closing Gross Carrying Amount as at 31 March 2023	-	(0.00)	(0.00)	(0.00)	(0.00)	-	(0.00)
Net Carrying Amount as at 31 March 2021	2.29	0.27	0.06	7.36	9.98	140.92	150.89
Net Carrying Amount as at 31 March 2022	1.70	0.20	0.05	7.43	9.38	108.17	117.54
Net Carrying Amount as at 31 March 2023	-	0.00	0.00	0.00	0.00	-	0.00



*[Handwritten signature]*

**SHIRAM CREDIT COMPANY LIMITED**  
**NOTES TO ACCOUNTS**

**11 Trade Payables**

(Amount in Rs. Lacs)		
Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
Sundry Creditor		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	399.23	1.09
	<b>399.23</b>	<b>1.09</b>

Particulars	Outstanding for following periods from due date of payment in respect of balance as at 31 March 2023			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	(8.37)	38.06	75.73	293.80
				<b>399.23</b>

Particulars	Outstanding for following periods from due date of payment in respect of balance as at 31 March 2022			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	0.21	-	-	0.88
				<b>1.09</b>



*Handwritten signature*

**SHRIRAM CREDIT COMPANY LIMITED**  
**NOTES TO ACCOUNTS**

**12 Borrowings**

(Amount in Rs. Lacs)

Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
Loan From SISBL	850.00	1,600.00
Loan From W2WBPL	1,400.00	-
	<b>2,250.00</b>	<b>1,600.00</b>

**13 Other Financial Liabilities**

Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
TDS Payable	0.05	4.33
Interest Payable	98.17	-
Other Statutory Liability	56.83	0.57
Liability for Expenses	4.84	3.85
	<b>159.88</b>	<b>8.75</b>

**14 Provisions**

Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
Provision on Standard asset	5.33	9.12
Provision for Gratuity	3.15	1.70
Provision for Leave Encashment	8.37	1.00
	<b>16.85</b>	<b>11.82</b>

**15 Deferred Tax Liabilities (Net)**

Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
Opening balance	110.17	-
Add: Asset recognized during the period	26.89	-
Closing balance	<b>137.06</b>	<b>-</b>

**16 Other non financial Liabilities**

Particulars	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
Other payables	209.85	227.53
	<b>209.85</b>	<b>227.53</b>



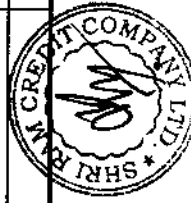
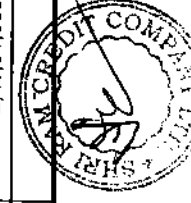
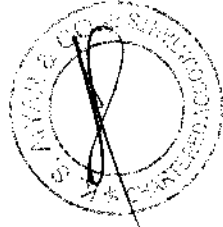


## SHRIRAM CREDIT COMPANY LIMITED

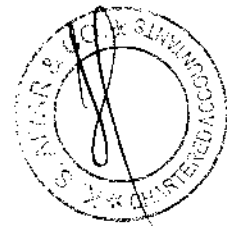
## Equity Share Capital

(Amount in Rs. Lacs)

Particulars	As on 31st March 2023 (Audited)		As on 31st March 2022 (Audited)	
	No. of Shares	Rs.	No. of Shares	Rs.
Authorised Equity Share Capital: Equity shares of Re. 10/- each	2,70,00,000	2,700.00	2,50,00,000	2,500.00
Issued, subscribed and paid up capital: Equity share of Rs. 10/- each	2,70,00,000	2,700.00	2,50,00,000	2,500.00
	2,40,63,129	2,406.31	2,40,63,129	2,406.31
<b>Terms/Rights attached to share holders</b> 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.				
<b>a) Reconciliation of number of equity shares and equity share capital</b>				
Particulars	As on 31st March 2023 (Audited)		As on 31st March 2022 (Audited)	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Balance as at the beginning of the year	2,40,63,129	2,406.31	2,40,63,129	2,406.31
Increase/Decrease	-	-	-	-
Balance as at the end of the year	2,40,63,129	2,406.31	2,40,63,129	2,406.31
<b>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</b>				
Name of Shareholder	As on 31st March 2023 (Audited)		As on 31st March 2022 (Audited)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	-	-	2,40,61,889	99.99%
Shriram Investment Holdings Limited	2,40,61,859	99.99%	-	-
<b>c) Details of shareholders holding more than 5% of the aggregate shares in the Company:</b>				
Name of Shareholder	As on 31st March 2023 (Audited)		As on 31st March 2022 (Audited)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	-	-	2,40,61,889	99.99%
Shriram Investment Holdings Limited (Holding Company)	2,40,61,859	99.99%	-	-



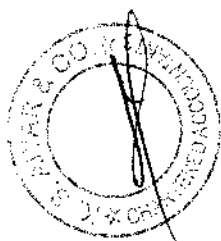
Particulars	As on 31st March 2023 (Audited)		As on 31st March 2022 (Audited)	
	No. of Shares	Rs.	No. of Shares	Rs.
Authorised Preference Shares: 6.5% Non - Convertible Cumulative Redeemable Preference Shares (Tenure 10 years)	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued, subscribed and paid up capital: Preference share of Rs. 10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
	2,40,00,000	2,400.00	2,40,00,000	2,400.00
<b>a) Reconciliation of number of Preference shares</b>				
Particulars	As on 31st March 2023 (Audited)		As on 31st March 2022 (Audited)	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Balance as at the beginning of the year	2,40,00,000	2,400.00	-	-
Increase/Decrease	-	-	2,40,00,000	2,400.00
Balance as at the end of the year	2,40,00,000	2,400.00	2,40,00,000	2,400.00
<b>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</b>				
Name of Shareholder	As on 31st March 2023 (Audited)		As on 31st March 2022 (Audited)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	-	-	2,40,00,000	100%
Shriram Investment Holdings Limited	2,40,00,000	100.00%	-	-
<b>c) Details of shareholders holding more than 5% of the aggregate shares in the Company:</b>				
Name of Shareholder	As on 31st March 2023 (Audited)		As on 31st March 2022 (Audited)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	-	-	2,40,00,000	100%
Shriram Investment Holdings Limited (Holding Company)	2,40,00,000	100.00%	-	-



**SHRIRAM CREDIT COMPANY LIMITED**  
**NOTES TO ACCOUNTS**

**19 Other Equity**

Particulars	(Amount in Rs. Lacs)	
	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
<b>A. (i)Capital Reserve</b>	<b>25.00</b>	<b>25.00</b>
<b>(ii)Capital Reserve on Merger</b>	<b>90.00</b>	<b>-</b>
	<b>115.00</b>	<b>25.00</b>
<b>B. Statutory Reserve - at the beginning</b>	<b>957.48</b>	<b>955.99</b>
Add: Transfer during the period	-	1.50
<b>Statutory Reserve - at the end</b>	<b>957.48</b>	<b>957.48</b>
<b>C. Securities Premium Reserve - at the beginning</b>	<b>7,336.53</b>	<b>7,336.53</b>
Add: Receipts during the period	-	-
<b>Securities Premium Reserve - at the end</b>	<b>7,336.53</b>	<b>7,336.53</b>
<b>D. General Reserve</b>	<b>110.27</b>	<b>15.27</b>
<b>E. Surplus - At the beginning</b>	<b>7,470.92</b>	<b>1,438.60</b>
<b>a. IND AS Adjustment</b>	-	-
(i) Increase/(decrease) in value of Mutual Funds/NCD	-	-
(ii) Increase/(decrease) in value of Investment held in SWAL	-	-
(iii) Recognition of change in Deferred Tax Asset/(Liability)	-	-
<b>b. Non adjustable old service tax input credit</b>	-	-
<b>c. Profit after tax transferred from Statement of Profit and Loss</b>	<b>(269.72)</b>	<b>7.48</b>
<b>d. Appropriations</b>	-	-
i. Transfer to Statutory Reserve	-	(1.50)
ii. Dividend Paid	-	-
<b>Surplus - Balance at the end of the period</b>	<b>7,201.20</b>	<b>1,444.59</b>
<b>F. Remeasurement of Defined Benefit Plans</b>	-	-
Opening balance	363.02	-
Add: Additions during the year	-	-
Less: utilised during the year	-	-
<b>Closing Balance</b>	<b>363.02</b>	<b>-</b>
<b>G. Total Reserves and Surplus (A+B+C+D+E+F)</b>	<b>16,083.50</b>	<b>9,778.87</b>



## 20 Interest Income

~~Handwritten signature~~

**SHRIRAM CREDIT COMPANY LIMITED**  
**NOTES TO ACCOUNTS**

**21 Sale of Services**

(Amount in Rs. Lacs)

Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
Sale of Services	5,010.20	-
<b>Total</b>	<b>5,010.20</b>	<b>-</b>

**22 Net Gain on Fair value changes**

Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
Net Gain/(Loss) on financial instrument at Fair Value through profit & loss	107.78	(62.37)
<b>Total</b>	<b>107.78</b>	<b>(62.37)</b>

**23 Other Income**

Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
Interest on Income Tax Refund	26.26	-
Infra Support Services	-	110.00
Profit on sale of Investments (net)	6.03	80.86
Recovery from Drs. Previously written off as bad	29.40	0.46
Misc Income	20.22	0.60
Liability no longer required	0.95	-
Profit on sale of Mutual Fund	0.69	-
Interest income On Bank Deposits	65.47	-
Rental Income	0.91	-
<b>Total</b>	<b>149.94</b>	<b>191.91</b>

**24 Employee Benefits Expenses**

Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
Salary & Wages	1,945.41	205.84
Contribution to Provident and other funds	110.12	0.72
Provision for Gratuity	(116.17)	(0.92)
Liability for Leave Encashment	7.37	0.39
Staff welfare expenses	3.43	-
<b>Total</b>	<b>1,950.17</b>	<b>206.03</b>

**25 Finance Cost**

Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
Interest On Loan From SISBL	111.21	158.43
Interest On Loan From W2WBPL	107.33	-
<b>Total</b>	<b>218.54</b>	<b>158.43</b>



*Handwritten signature*

## SHRIRAM CREDIT COMPANY LIMITED

## NOTES TO ACCOUNTS

## 26 Other expenses

Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
<b>Payment to Auditor</b>		
Statutory Audit Fees	9.71	4.52
Tax Audit Fees	0.80	0.74
Reimbursement of Expenses	0.09	0.03
<b>Total Payment to Auditor</b>	<b>10.60</b>	<b>5.28</b>
Legal Fees	5.10	3.77
Professional charges	119.63	28.61
Rental charges	150.36	-
Lease Rent	4.88	4.88
Directors Sitting Fees	6.20	4.90
Travelling Expenses	60.95	1.05
Meeting Expenses	0.49	0.02
Processing Fee	-	0.03
Royalty charges	2.46	0.89
Repairs and maintenance	8.13	-
Communication expenses	65.61	-
Performance incentive to agents	1,069.92	-
Referral commission to agents	304.78	-
Commission on deposits and debentures	1,475.85	-
Hire charges	0.05	-
Business promotion	230.35	-
Advertisement expenses	3.12	-
Interest on Lease Liability of Right of Use Asset	9.96	-
Loss on sale of Asset	7.22	-
Other expenses	29.07	8.56
	<b>3,564.73</b>	<b>57.98</b>

## 27 Provisions and write offs

Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
Provision for Standard assets	(3.79)	(0.13)
Provision for NPA	-	(29.16)
Bad Debts written off	-	67.55
<b>Total</b>	<b>(3.79)</b>	<b>38.26</b>



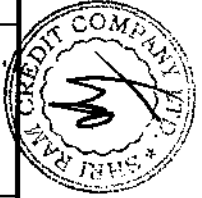
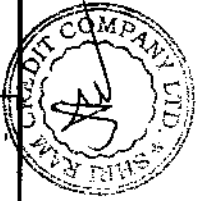
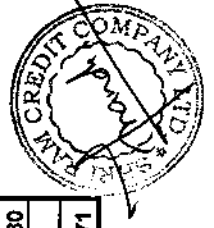
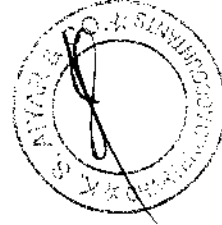
**SHIRAM CREDIT COMPANY LIMITED**

28 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.

**29 Related Party Disclosure: (Transferee Company)**

**Transactions with Related Parties:**

Particulars	(Amount in Rs. Lacs)				Other Person having significant Influence / KMP	Total
	Holding Company	Subsidiaries	Other Group Company			
<b>DP Charges</b>						
Shriram Insight Share Brokers Limited		0.03				0.03
<b>Reimbursement of Expenses</b>						
Shriram Insight Share Brokers Limited		12.19				12.19
Way2Wealth Brokers Private Limited		2.15				
Way2Wealth Commodities Private Limited		5.57				
<b>Interest Cost</b>						
Shriram Insight Share Brokers Limited		111.21				111.21
Way2Wealth Brokers Private Limited		107.33				107.33
<b>Rental Charges</b>						
Shriram Transport Finance Company Limited ^			9.16			9.16
<b>Professional Fees</b>						
Shriram Housing Finance Limited			30.00			30.00
<b>Advance Received &amp; Refunded</b>						
Shriram Value Services Ltd.			5,000.00			5,000.00
<b>Debit Balance outstanding as on 31.03.2023</b>						
Shriram Wealth Limited						
<b>Credit Balance outstanding as on 31.03.2023</b>						
Way2Wealth Brokers Private Limited (Loan & Interest)		1,456.67				1,456.67
Shriram Insight Share Brokers Limited (Loan & Interest)		891.49				891.49
Shriram Investment Holdings Limited ^	2,400.00					2,400.00
<b>Investments in Subsidiaries</b>						
Shriram Fortune Solutions Limited		900.00				900.00
Shriram Wealth Limited		60.00				60.00
SEA Funds Management India Private Limited		152.93				152.93
Way 2 Wealth Securities Private Limited		6,479.44				6,479.44
Shriram Assets Management Company Limited		5,685.49				5,685.49
Shriram Insight Share Brokers Limited		1,650.80				1,650.80
<b>Payment To Key Managerial Personnel</b>						
Payment to Key Managerial Personnels				149.71		149.71



## SHRIRAM CREDIT COMPANY LTD.

### 29. Related Parties for the period 31<sup>st</sup> March, 2023(Transferee Company)

List of Related parties	Relationship
Shriram Ownership Trust	Enterprises having Significant influence
Shriwell Trust	
Shriram Capital Private Limited (Formerly known as Shriram Financial Ventures (Chennai) Private Limited)	Ultimate holding company
Shriram Investment Holdings Limited^	Holding Company
Shriram Asset Management Company Limited	Subsidiaries
Shriram Financial Products Solutions (Chennai) Private Limited	
Shriram Fortune Solutions Limited	
Shriram Insight Share Brokers Limited	
Shriram Wealth Limited	
SEA Funds Management India Private Limited	
Way2Wealth Securities Private Limited	Step-down Subsidiaries
Way2Wealth Brokers Private Limited	
Way2Wealth Commodities Private Limited	Fellow Subsidiaries
Shriram Overseas Investments Private Limited	
Way2Wealth Insurance Brokers Private Limited	
Shriram Asset Reconstruction Private Limited	
Shriram Value Services Limited	
Novac Technology FZCO w.e.f 8th Feb 2023	Subsidiaries of Shriram Value Services
Novac Digital Services Private Limited	
Novac Technology Solutions Private Limited	
Armour Insurance Services WLL, Bahrain	Subsidiaries of Shriram Overseas Investments Private Limited
Bharath Investments Pte. Ltd., Singapore	
Shriram LI Holdings Private Limited	Fellow Subsidiaries of Shriram Investment Holdings Limited
Shriram GI Holdings Private Limited	
Shriram Life Insurance Company Ltd.	Subsidiary of Shriram LI Holdings Private Limited
Shriram General Insurance Company Ltd.	Subsidiaries of Shriram GI Holdings Private Limited
SGI Philippines General Insurance Co. Inc.	
Shriram Finance Ltd. ^	Associate of Shriram Capital Private Limited
Shriram Housing Finance Ltd.	Subsidiary of Shriram Finance Ltd.
Mr. Akhilesh Kumar Singh	Vice-Chairman & Executive Director
Mr. M.R.Shashibhushan	Managing Director
Mr. Adbhut Shankar Pathak^	Chief Financial Officer
Ms. Trina Nandi	Company Secretary

^Notes:

- In November 2022, Shriram Group's entities- Shriram Transport Finance Company Ltd., Shriram City Union Finance Ltd. and Shriram Capital Ltd. merged to form Shriram Finance Ltd.
- As a result of the above merger, the entire stake of Shriram Capital Ltd. in the Company has been transferred to Shriram Investment Holdings Ltd.
- Mr. Adbhut Shankar Pathak has been re-designated as the Assistant General Manager (Finance) w.e.f 10<sup>th</sup> November, 2022; hence he no longer holds the post of Whole-time Key Managerial Personnel.
- Shriram Financial Products Solutions (Chennai) Pvt. Ltd. has been merged with Shriram Credit Company Ltd. vide Order of Amalgamation dated 18<sup>th</sup> April, 2023.



*Trina Nandi*



## Related Party Transactions Disclosure: (Transferor Company)

List of Related parties	Relationship
Shriram Ownership Trust	Enterprises having Significant influence
Shriwell Trust	
Shriram Capital Private Limited (Formerly known as Shriram Financial Ventures (Chennai) Private Limited)	Ultimate holding company
Shriram Investment Holdings Limited <sup>a</sup>	Holding Company of Shriram Credit Company Ltd.
Shriram Credit Company Limited	Holding Company
Shriram Asset Management Company Limited	Fellow Subsidiaries
Shriram Insight Share Brokers Ltd.	
Shriram Fortune Solutions Limited	
Shriram Wealth Limited	
SEA Funds Management India Private Limited	
Way2Wealth Securities Private Limited	
Way2Wealth Brokers Private Limited	
Way2Wealth Commodities Private Limited	Step-down Subsidiaries of holding company
Shriram Overseas Investments Private Limited	Fellow Subsidiaries of Shriram Investment Holdings Limited
Way2Wealth Insurance Brokers Private Limited	
Shriram Asset Reconstruction Private Limited	
Shriram Value Services Limited	Subsidiaries of Shriram Value Services
Novac Digital Services Private Limited	
Novac Technology Solutions Private Limited	Subsidiaries of Shriram Overseas Investments Private Limited
Armour Insurance Services WLL, Bahrain	
Bharath Investments Pte. Ltd., Singapore	Fellow Subsidiaries of Shriram Investment Holdings Limited
Shriram LI Holdings Private Limited	
Shriram GI Holdings Private Limited	Subsidiary of Shriram LI Holdings Private Limited
Shriram Life Insurance Company Ltd.	Subsidiaries of Shriram GI Holdings Private Limited
Shriram General Insurance Company Ltd.	
SGI Philippines General Insurance Co. Inc.	Associate of Shriram Capital Private Limited
Shriram Finance Ltd. <sup>a</sup>	
Shriram Automall India Ltd.	Subsidiaries of Shriram Finance Ltd.
Shriram Housing Finance Ltd.	
Mr. Karanam Ramachandra Sekhar <sup>a</sup>	Whole-time Director

<sup>a</sup>Notes:

a. In November 2022, Shriram Group's entities- Shriram Transport Finance Company Ltd., Shriram City Union Finance Ltd. and Shriram Capital Ltd. merged to form Shriram Finance Ltd.

b. As a result of the above merger, the entire stake of Shriram Capital Ltd. in Shriram Credit Company Ltd. had been transferred to Shriram Investment Holdings Ltd.

c. Mr. Karanam Ramachandra Sekhar has stepped from the position of Whole-time director of the Company w.e.f 1st November, 2022.

## Related Party Transaction

(Amount in Rs. Lacs)

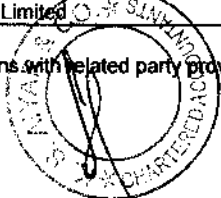
Particulars of Transaction	Transactions with	Year ended 31-03-2023	Year ended 31-03-2022
Employee Benefits (Group Term Insurance)	Shriram Life Insurance Co., Ltd	0.80	11.30
Employee Benefits (Group Personal Accident Insurance)	Shriram General Insurance Company Limited	0.64	4.06
Sale of Services	Shriram Transport Finance Company Limited	583.14	1,307.56
Sale of Services	Shriram City Union Finance Limited	1,922.98	2,874.97
Sale of Services	Shriram Housing Finance Limited	1,003.41	428.39
Sale of Services	Shriram Finance Limited	906.60	-
Royalty	Shriram Value Services Limited	2.46	10.01
Technical Fees Paid & Pay Roll Processing	Novac Technology Solutions Private Limited	15.38	12.00
Remuneration	Mr K R C Sekar	58.15	55.00
Investment in Mutual fund	Shriram Credit Company Limited	-	135.86
Investment in RNCPS	Shriram Asset Management Company Limited	-	100.00
Redemption of RNCPS	Shriram Asset Management Company Limited	1,600.00	-

## Balances at the Period ended

Related Party	Nature	Year ended 31-03-2023	Year ended 31-03-2022
Shriram Transport Finance Company Limited	Receivable	-	203.62
Shriram Value Services Limited	Payable	2.21	10.01
Shriram Asset Management Company Limited	Receivable	-	1,600.00
Shriram City Union Finance Limited	Receivable	-	212.08
Shriram Housing Finance Limited	Receivable	-	3.25
Shriram Finance Limited	Receivable	235.25	-

<sup>a</sup> Note

1. The transactions with related party provided above are for the entire Period ending 31.03.2023



**SHRIRAM CREDIT COMPANY LIMITED**

**30 Contingent Liabilities not provided for**

(Amount in Rs. Lacs)

Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
Income Tax Demand - AY 2010-11	0.93	0.93
Income Tax Demand - AY 2012-13	-	0.54
Income Tax Demand - AY 2014-15	103.79	245.93
Income Tax Demand - AY 2015-16	-	45.59
Income Tax Demand - AY 2017-18	-	31.99
Income Tax Demand - AY 2018-19	8.26	-
Income Tax Demand - AY 2020-21	7.67	-
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: Secured by pledging of ICICI Prudential Liquid Fund worth Rs. 900.09 Lakhs	1,500.00	-
(iii) Bank Guarantee to NSE/BSE Partly secured by FD of Rs.1280 lakhs, 2,26,100 units of ICICI Prudential Liquid Fund and partly by Comfort letter given by Holding Company.	3,500.00	3,500.00
(iv) Bank Guarantee Fully secured by FD.	10.00	-
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	5,500.00

**31 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.

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

Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
No. of shares considered as basic weighted average shares outstanding	240.63	240.63
Add: Effect of dilutive issues of shares	-	-
No. of shares considered as basic weighted average and potential shares outstanding	240.63	240.63



**SHRIRAM CREDIT COMPANY LIMITED**

- 33 As on 31/03/2023 & 31/03/2022, there were no outstanding dues to MSME units.
- 34 Leasehold land is amortized over the period of lease agreement.
- 35 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.
- 36 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.
- 37 During the year ended 31st March 2023, the company has subscribed 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 Subscription of aforesaid Investment has been capitalised.
- 38 The Board at its Meeting held on February 10, 2023 had approved the proposal of scheme of amalgamation between M/s. Shriram Credit Company Limited ("Transferee Company") and its wholly owned subsidiary company M/s. Shriram Financial Products Solution (Chennai) Private Limited ("Transferor Company"), pursuant to provisions of Section 233 and other applicable provisions, if any of the Companies Act, 2013.  
Further, on satisfaction of all the conditions as specified in the Scheme, The Regional Director, Chennai, vide order dated April 18, 2023 has approved the Scheme under Section 233 of the Companies Act, 2013 with effect from January 1, 2023 (Appointed Date). The amalgamation was accounted as a common control business combination in accordance with the accounting prescribed under "Pooling of Interest Method" as laid down in Appendix C of Ind AS 103 (Business Combinations of entities under common control) and as per the specific provisions of the scheme. Accordingly, the scheme has been given effect to in these financial statements and all assets, liabilities and reserves and income and expenditure of the Transferor Company stand transferred to and vested in the Transferee Company subject to value of investments held by the transferee company in the transferor company and inter-company balances between the transferee company and the transferor company appearing in the books stand cancelled pursuant to amalgamation.
- 39 The figures for the year ended 31st March, 2023 represent the figures of the Amalgamated Company ("transferor as well as the transferee company"). The figures for the year ended 31st March, 2022 representing the figures of the Transferee Company only (SCCL) 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

S. Ghosh  
Partner

Membership No. 050927

UDIN - 23050927BGYEBU5273

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

Trina Nandi

Trina Nandi  
Company Secretary

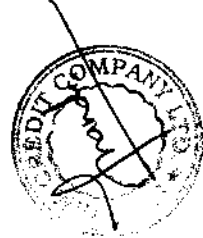
Place : Mumbai  
Date: 10.05.2023

Place : Chennai  
Date: 10.05.2023



## SHRIRAM 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)
<b>Performing Assets</b>						
Standard	Stage 1	1,333.74	-	1,333.74	-	-
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		<b>1,333.74</b>	-	<b>1,333.74</b>	-	-
<b>Non-Performing Assets (NPA)</b>						
Sub - Standard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>						
<b>Loss</b>	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>						
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	-	-	-	-	-
<b>Subtotal</b>						
	Stage 1	1,333.74	-	1,333.74	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Total</b>	<b>Total</b>	<b>1,333.74</b>	-	<b>1,333.74</b>	-	-



**Shriram Credit Company Limited**  
**Employee benefits**

**a) Defined contribution plan**

(Amount in Rs. Lacs)

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

Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
Employer's Contribution to Provident Fund (includes pension fund)	110.12	0.72

**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 2023. 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)**

(Amount in Rs. Lacs)

Particulars	31/03/2023	31/03/2022
<b>Liability recognized in the Balance Sheet</b>		
Present value of defined benefit obligation		
Opening Balance	1.70	1.44
Current Service Cost	1.42	0.15
Interest Cost	0.12	0.10
Actuarial Loss/(Gain) on obligation	(0.10)	0.01
<b>Closing Balance</b>	<b>3.15</b>	<b>1.70</b>
<b>Expenses during the year</b>		
Current Service cost	1.42	0.15
Interest cost	0.12	0.10
<b>Component of defined benefit cost recognized in statement of Profit &amp; Loss</b>	<b>1.55</b>	<b>0.25</b>
<b>Remeasurement of net defined benefit liability</b>		
- Actuarial Loss/(Gain) on defined benefit obligation	(0.10)	0.01
- Actuarial Loss/(Gain) on Plan Assets	-	-
<b>Component of defined benefit cost recognized in other comprehensive income</b>	<b>(0.10)</b>	<b>0.01</b>
<b>Total</b>	<b>1.45</b>	<b>0.26</b>



**Principal actuarial assumptions**

Particulars	31/03/2023	31/03/2022
Discount Rate	7.49%	7.33%
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 2012-14 (Urb)

**Sensitivity Analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Impact on Defined benefit	
	31/03/2023	31/03/2022
Discount rate - 1% Increase	(0.42)	(0.23)
Discount rate - 1% Decrease	0.50	0.28
Future salary growth - 1% Increase	0.51	0.28
Future salary growth - 1% Decrease	(0.43)	(0.24)
Attrition rate - 1% Increase	0.05	0.07
Attrition rate - 1% Decrease	(0.07)	(0.08)

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.

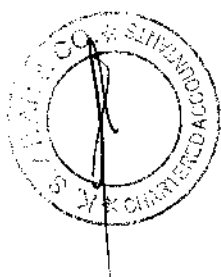
The average expected remaining lifetime of the plan members is 6 years as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

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**  
**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	
	31/03/2023	31/03/2022
<b>Current tax:</b>		
Current tax	-	9.03
Tax pertaining to earlier years	4.37	-
<b>Deferred tax</b>	26.89	(7.66)
<b>Total</b>	<b>31.26</b>	<b>1.38</b>

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	
	31/03/2023	31/03/2022
<b>Profit before tax</b>		
Expected income tax expense at statutory tax rate	(238.54)	8.85
<b>Tax impact on account of</b>		1.97
Depreciation under Income-tax Act	-	(0.30)
Provision against loans & advances	-	(6.52)
Deductions allowable under tax laws	-	13.88
Others	-	(7.66)
<b>Total</b>	<b>31.26</b>	<b>1.38</b>
<b>Tax expenses as per statement of profit and loss excluding earlier year tax, if any</b>	<b>-</b>	<b>9.03</b>
<b>Deferred Tax Provision</b>	<b>26.89</b>	<b>(7.66)</b>

**Current Tax Assets**

Particulars	As at 31-03-2023	As at 31-03-2022
Current tax Assets (Net)	441.64	137.04

**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 31-03-2023	As at 31-03-2022
<b>Deferred Tax Asset:</b>		
On account of depreciation	82.23	77.80
Others	(28.89)	(29.11)
<b>Deferred Tax Liability:</b>		
Mutual fund and other investments	(190.41)	(10.42)
<b>Deferred Tax Asset / (Liabilities) (Net)</b>	<b>(137.06)</b>	<b>38.26</b>



**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	31/03/2023		31/03/2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Loans	1,333.74	1,333.74	2,282.32	2,282.32
Other financial assets	478.58	478.58	21.00	21.00
Investments	17,973.23	17,973.23	11,780.05	11,780.05
Cash and cash equivalents	1,589.93	1,589.93	72.02	72.02
<b>Total financial assets at amortised cost (A)</b>	<b>21,375.48</b>	<b>21,375.48</b>	<b>14,155.40</b>	<b>14,155.40</b>
<b>Measured at fair value through other comprehensive income (B)</b>				
<b>Measured at fair value through profit and loss (C)</b>	75.56	75.56	72.73	72.73
<b>Total financial assets (A+B+C)</b>	<b>21,451.04</b>	<b>21,451.04</b>	<b>14,228.13</b>	<b>14,228.13</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Trade payables	399.23	399.23	1.09	1.09
Borrowings	2,250.00	2,250.00	1,600.00	1,600.00
Other Financial Liabilities	159.88	159.88	8.75	8.75
<b>Total financial liabilities carried at amortised cost</b>	<b>2,809.11</b>	<b>2,809.11</b>	<b>1,609.85</b>	<b>1,609.85</b>

**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
- Credit risk; and
- Liquidity risk

**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 2023**

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Cash and cash equivalents	1,589.93	-	-	1,589.93
Loans	1,333.74	-	-	1,333.74
Investments				-
- Investment in shares of subsidiaries & associates	-	-	14,928.65	14,928.65
- Investment in other equity shares	-	-	1.40	1.40
- Investment in mutual funds	3,118.74	-	-	3,118.74
Other Financial Assets	478.58	-	-	478.58
<b>Total financial assets</b>	<b>6,520.99</b>	<b>-</b>	<b>14,930.05</b>	<b>21,451.04</b>
<b>Financial liabilities</b>				
Borrowings	-	2,250.00	-	2,250.00
Other payables	399.23	-	-	399.23
Other financial liabilities	159.88	-	-	159.88
<b>Total financial liabilities</b>	<b>559.11</b>	<b>-</b>	<b>-</b>	<b>2,809.11</b>

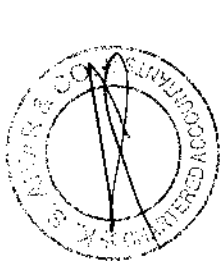
**Liquidity exposure as at 31 Mar 2022**

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Cash and cash equivalents	72.02	-	-	72.02
Loans	2,282.32	-	-	2,282.32
Investments				-
- Investment in shares of subsidiaries & associates	-	-	11,838.65	11,838.65
- Investment in other equity shares	-	-	1.40	1.40
- Investment in mutual funds	12.73	-	-	12.73
Other Financial Assets	21.00	-	-	21.00
<b>Total financial assets</b>	<b>2,388.08</b>	<b>-</b>	<b>11,840.05</b>	<b>14,228.13</b>
<b>Financial liabilities</b>				
Borrowings	-	1,600.00	-	1,600.00
Other payables	1.09	-	-	1.09
Other financial liabilities	8.75	-	-	8.75
<b>Total financial liabilities</b>	<b>9.85</b>	<b>-</b>	<b>-</b>	<b>1,609.85</b>

**F. Level wise disclosure of financial instruments**

Particulars	31/03/2023	31/03/2022	Level	Valuation techniques and key inputs
Investment in Mutual funds	3,118.74	12.73	1.00	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.



9 Syed Amir Ali Avenue  
Flat 2 4th Floor  
Kolkata 700 017 India  
Tel: 91 33 2281 7652 / 2281 7653  
Fax: 91 33 2281 7654  
Grams : VERIFY  
www.KSAiyar.com  
Kolkata@KSAiyar.com

## 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, 2023, 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, 2023, of consolidated profit/loss, consolidated total comprehensive income and consolidated statement of changes in equity 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.



Offices also at  
Mumbai Chennai  
Bengaluru Coimbatore Hyderabad 1

**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.

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

- a) The scheme of amalgamation between M/s. Shriram Credit Company Limited ("Transferee Company") and its wholly owned subsidiary company M/s. Shriram Financial Products Solution (Chennai) Private Limited ("Transferor Company"), pursuant to provisions of Section 233 and other applicable provisions, was approved by the Regional Director, Chennai, vide order dated April 18, 2023 with effect from January 1, 2023.

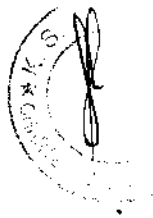
The amalgamation was accounted as a common control business combination in accordance with the accounting prescribed under "Pooling of Interest Method" as laid down in Appendix C of Ind AS 103 (Business Combinations of entities under common control) and as per the specific provisions of the scheme.

- b) Shriram Wealth Ltd. is having negative net worth of Rs.594.97 lacs. Continuity of the company is dependent upon future cash generation and profitability.

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**

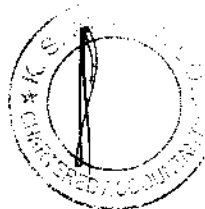
The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance 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



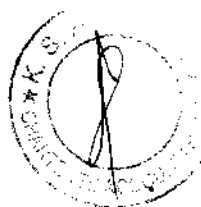
fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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 six subsidiaries, whose financial statements / financial information reflect total assets of Rs. 53,193.39 lacs as at 31<sup>st</sup> March, 2023, total income of Rs. 30,400.55 lacs and net cash flows amounting to Rs. (-) 5,858.45 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. (-) 654.51 lacs for the year ended 31<sup>st</sup> March, 2023, 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.

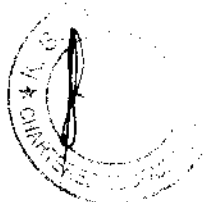
(Rs. In Lacs)					
Sr. No.	Name of the Subsidiary Companies	Group's share of total assets	Group's share of total income	Group's share of net cash flows	Name of the Auditor
1.	Shriram Asset Management Company Limited	8119.77	583.61	426.75	G.D. Apte & Co.
2.	Shriram Wealth Limited	304.61	965.29	-38.56	Pijush Gupta & Co.
3.	Shriram Fortune Solutions Limited	4,171.25	17,516.23	-1,396.18	Pijush Gupta & Co.
4.	Way 2 Wealth Securities Private Limited	19,828.35	6,198.09	-3,445.51	Pijush Gupta & Co.
5.	Shriram Insight Share Brokers Limited	20,442.82	5,050.77	-1,406.18	KGRS & Co.
6.	Sea Funds Management India Private Limited	326.58	86.56	1.23	N J Suresh & Associates
	<b>TOTAL</b>	<b>53,193.39</b>	<b>30,400.55</b>	<b>-5,858.45</b>	



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:
- 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 of the aforesaid consolidated Ind AS financial statements.
  - b. 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.
  - c. The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss 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.
  - d. 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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 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.

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

  
S. Ghosh  
Partner  
Membership No.: 050927

UDIN: 23050927BGYEBV4637

Place: Mumbai  
Date: 10-05-2023



## **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 remain





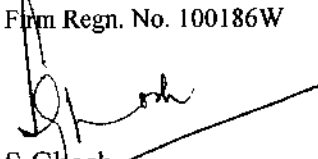
responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

  
S. Ghosh  
Partner  
Membership No.: 050927

UDIN: 23050927BGYEBV4637

Place: Mumbai  
Date: 10-05-2023



**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, 2023, 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



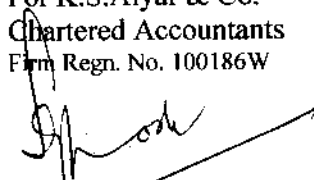
respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering 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, 2023 and the Consolidated Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report expressed an unqualified opinion thereon.

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

  
S. Ghosh  
Partner  
Membership No.: 050927

UDIN: 23050927BGYEBV4637

Place: Mumbai  
Date: 10-05-2023



**SHRIRAM CREDIT COMPANY LIMITED**  
 Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017  
 CIN : U65993TN1980PLC008215  
 Consolidated Balance Sheet as on 31 March 2023

	Particulars	Note No.	(Amount in Rs.Lacs) As on 31st March 2023(Audited)	(Amount in Rs.Lacs) As on 31st March 2022(Audited)
<b>I</b>	<b>ASSETS</b>			
	<b>Non Current Assets</b>			
	(a) Property Plant & Equipment	2	4,500.66	4,614.71
	(b) Capital Work in Progress		7.08	7.08
	(c) Financial Assets			
	(i) Investments	3	1,352.08	7,222.44
	(ii) Loans and Advances	5	1,883.11	3,415.76
	(d) Non Current Tax Assets (Net)		0.38	474.76
	(e) Other non current Assets	6	1,267.84	156.55
			<b>9,011.15</b>	<b>15,891.31</b>
	<b>Current Assets</b>			
	(a) Financial Assets			
	(i) Investments	3	11,266.31	4,738.91
	(ii) Trade Receivables	7	4,797.33	11,644.04
	(iii) Cash and cash equivalents	4	17,589.95	24,317.28
	(iv) Loans and Advances	5	3,363.77	3,639.67
	(b) Inventories		13.28	13.24
	(c) Current Tax Assets (Net)		2,684.09	1,502.80
	(d) Other current assets	6	6,595.46	1,097.08
			<b>46,310.20</b>	<b>46,953.02</b>
	<b>TOTAL</b>		<b>55,321.35</b>	<b>62,844.33</b>
<b>II</b>	<b>Equity and liabilities</b>			
	<b>Equity</b>			
	(a) Share Capital	8.1	2,406.31	2,406.31
	(b) Other Equity	9	27,376.75	27,571.11
	(c) Minority Interest		2,549.48	63.87
			<b>32,332.54</b>	<b>30,041.29</b>
	<b>Liabilities</b>			
	<b>Non Current Liabilities</b>			
	(a) Deferred Tax Liabilities (Net)	10	(1,319.46)	(911.60)
	(b) Provisions	12	1,272.60	1,413.52
	(c) Subordinated Liability	8.2	2,400.00	2,400.00
	(d) Other non current liabilities	11	3,275.12	3,081.87
	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings		377.89	901.03
	(ii) Trade Payables		12,610.93	19,964.52
	(b) Other current liabilities	11	2,869.25	3,702.44
	(c) Provisions	12	1,502.47	2,251.25
			<b>22,988.81</b>	<b>32,803.04</b>
	<b>TOTAL</b>		<b>55,321.35</b>	<b>62,844.33</b>
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

S. Ghosh  
 Partner  
 Membership No. 050927  
 UDIN - 23050927BQYEBV4637



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

Trina Nandi  
 Company Secretary

Place: Mumbai  
 Date: 10.05.2023

Place: Chennai  
 Date: 10.05.2023

**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 period ended 31 March 2023

Sl No	Particulars	Note	(Amount in Rs.Lacs)	(Amount in Rs.Lacs)
			For the year ended 31st March 2023(Audited)	For the year ended 31st March 2022(Audited)
I	Revenue from Operations	13.(a)	34,618.79	39,248.75
II	Other Income	13.(b)	733.47	2,425.30
III	<b>Total Income (1+2)</b>		<b>35,352.27</b>	<b>41,674.05</b>
IV	<b>Expenses</b>			
	(a) Employees benefit expense	14	11,328.07	12,157.92
	(b) Finance Cost	15	781.97	389.57
	(c) Depreciation & amortisation expense	2	1,007.64	978.59
	(d) Other expenses	16	23,122.25	27,768.18
	(d) Provisions & Write offs	17	15.50	38.26
	<b>Total Expenses</b>		<b>36,255.44</b>	<b>41,332.52</b>
V	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>(903.17)</b>	<b>341.52</b>
VI	Exceptional items		-	-
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>(903.17)</b>	<b>341.52</b>
VIII	<b>Tax Expenses</b>			
	(a) Current Tax		355.93	167.27
	(b) Deferred Tax		(413.77)	35.39
	(c) Earlier Year Tax		78.95	84.22
	<b>Total Tax Expenses</b>		<b>21.11</b>	<b>286.88</b>
IX	<b>Profit/(loss) for the period from continuing operations (VII-VIII)</b>		<b>(924.28)</b>	<b>54.64</b>
X	Profit/(loss) From discontinued operations		-	-
XI	Tax expenses of discontinued operations		-	-
XII	<b>Profit/(loss) From discontinued operations (after tax) (X-XI)</b>		<b>-</b>	<b>-</b>
XIII	<b>Profit/(loss) for the period (IX-XII)</b>		<b>(924.28)</b>	<b>54.64</b>
XIV	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss		24.12	85.42
	(ii) Income tax relating to item that will not be reclassified to profit or loss		(6.14)	57.11
	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	<b>Total comprehensive income for the period (XIII+XIV)</b>		<b>(906.30)</b>	<b>197.17</b>
	<b>Total Profit for the year attributable to:</b>			
	- Owners of the Company		(799.28)	110.64
	- Non-controlling interest		(125.00)	(56.00)
	<b>Other comprehensive income/(loss) for the year attributable to:</b>			
	- Owners of the Company		19.29	144.41
	- Non-controlling interest		(1.31)	(1.88)
	<b>Total comprehensive Income for the year attributable to:</b>			
	- Owners of the Company		(779.99)	255.05
	- Non-controlling interest		(126.31)	(57.88)
XVI	Minority Interest		(125.00)	-
XVII	<b>Total comprehensive income for the period after Minority Interest</b>		<b>(781.30)</b>	<b>253.17</b>
	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

S. Ghosh  
 Partner  
 Membership No. 050927

UDIN -23050927BGYEBV4637

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

Akhilesh Kumar Singh  
 Vice Chairman  
 DIN : 00421577

M R Shashibhusan  
 Managing Director  
 DIN : 00492377

Trina Nandi  
 Company Secretary

Place: Mumbai  
 Date: 10.05.2023

Place: Chennai  
 Date: 10.05.2023

**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 2023

Rs. In Lacs

Particulars	As on 31st March 2023(Audited)	As on 31st March 2022(Audited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax	(903.17)	341.52
Interest Income on Bank deposits	(153.65)	(1,400.58)
Dividend Income	(3.69)	(1.64)
Prior period item	-	-
Provision & Write offs	11.13	(29.29)
Profit on sale of investments	(6.03)	(80.86)
Depreciation	1,007.64	978.59
Interest Paid	781.97	389.57
<b>Operating profit before change in working capital</b>	<b>734.21</b>	<b>197.31</b>
<b>Movements In Working Capital:</b>		
Decrease / (Increase) in Other Assets	2,045.55	509.88
Increase / ( Decrease ) in Current Liabilities and provisions	(9,302.22)	1,681.72
<b>Net cash from/(used in) operating activities</b>	<b>(6,522.46)</b>	<b>2,388.91</b>
Direct taxes paid	(728.02)	733.13
<b>Net Cash from / (used in) operating activities</b>	<b>(7,250.48)</b>	<b>3,122.04</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of Investments (Net)	(651.01)	1,248.30
Interest Income on Deposits	153.65	1,400.58
Sale of Fixed Assets	1,002.45	53.62
Purchase of Fixed Assets	(1,896.05)	(1,127.74)
Dividend from Mutual Funds	3.69	1.64
<b>Net cash from / (used in) in investing activities</b>	<b>(1,387.27)</b>	<b>1,576.40</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from change in net worth	3,215.53	(92.64)
Subordinated Liability	-	-
Secured Borrowings	(523.14)	901.03
Interest paid	(781.97)	(389.57)
<b>Net Cash from / (used in) Financing activities</b>	<b>1,910.42</b>	<b>418.82</b>
<b>Total Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(6,727.33)</b>	<b>5,117.27</b>
<b>Cash and Cash equivalents as at the beginning of the year</b>	<b>24,317.28</b>	<b>19,200.01</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>17,589.95</b>	<b>24,317.28</b>

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

S. Ghosh  
Partner  
Membership No. 050927

UDIN -23050927BGYE BV4637

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

Akhilesh Kumar Singh  
Vice Chairman  
DIN : 00421577

M R Shashimohan  
Managing Director  
DIN : 00492377

Trina Nandi  
Company Secretary

Place: Mumbai  
Date: 10.05.2023

Place: Chennai  
Date: 10.05.2023

**A. Equity Share Capital**

Particulars	Rs In Lacs
Balance as at 1st Apr 2022	2,406.31
Changes in equity share capital during the period	-
Balance as at 31st Mar 2023	2,406.31

**B. Other Equity**

Particulars	Reserves and Surplus					Total
	Capital Reserve	Statutory Reserve	Securities Premium Reserve	ESOP Adjustment	General Reserve	
Balance as at 1st Apr 2022	4,017.64	957.48	7,336.53	3.08	15.27	27,571.11
Transfer for the period ended 31st March 2023	-	-	347.87	11.41	-	359.27
Total Comprehensive Income for the period ended 31st March 2023	-	-	-	-	-	(781.30)
Adjustment against Retained Earnings	86.10	-	-	(3.08)	-	144.85
Balance as at 31st Mar 2023	4,103.74	957.48	7,684.39	11.41	15.27	27,376.75

**A. Equity Share Capital**

Particulars	Rs 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	
Balance as at 1st Apr 2021	4,011.90	955.99	7,336.53	3.08	15.27	27,319.57
Transfer for the period ended 31st March 2022	-	1.50	-	-	-	(1.50)
Total Comprehensive Income for the period ended 31st March 2022	-	-	-	-	-	253.15
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	27,571.11

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

*[Signature]*  
 S. Ghosh  
 Partner

Membership No. 050927

UDIN - 23050927BGYEBV4637

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

*[Signature]*  
 Akhilesh Kumar Singh  
 Vice Chairman  
 DIN : 00421577

*[Signature]*  
 M R Shashidev  
 Managing Director  
 DIN : 00492377

*[Signature]*  
 Trina Nandi  
 Company Secretary

Place: Mumbai  
 Date: 10.05.2023

Place: Chennai  
 Date: 10.05.2023



## **(1) 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**

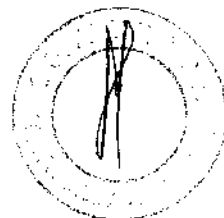
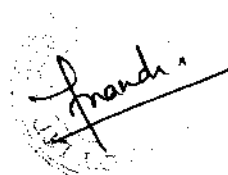
The financial statements of the Company are presented in Schedule III format of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional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



## 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.

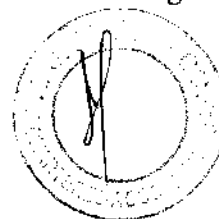
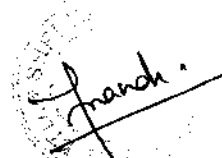
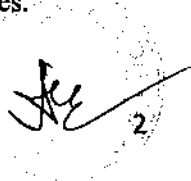
#### The Solely Payments of Principal and Interest (SPPI) test

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.



**(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:

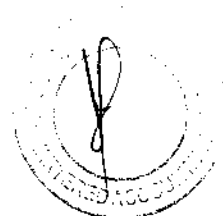
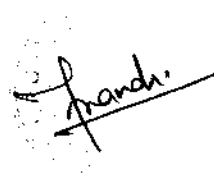
- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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.



**(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).



**(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, 2023.

**(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:**

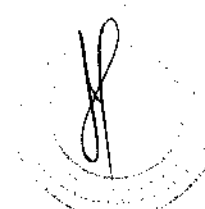
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial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



*franchi*



## SHRIRAM CREDIT COMPANY LTD

- 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.

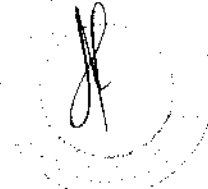
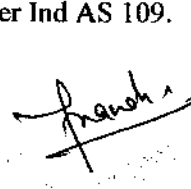
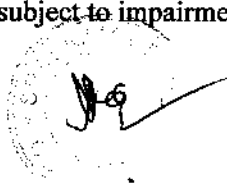
### **b) Financial liabilities**

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

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

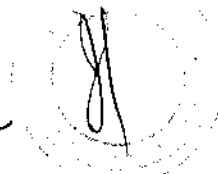
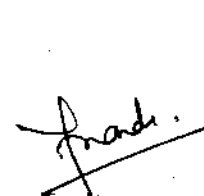
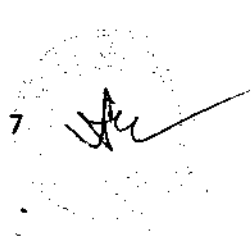
All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated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



**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.





**(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



*Handwritten signatures and initials.*

*Handwritten signature.*

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.

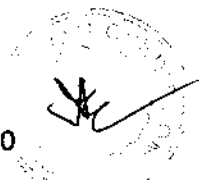
Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

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**

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, 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

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

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



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

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

*Short term employee benefit*

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



*Prandi*



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.

*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 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*

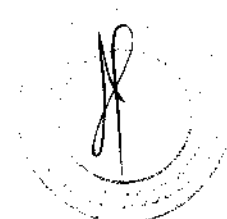
Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected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



*Prandhi*



*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.



### **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 is provided on Written Down Value (WDV) at the rates prescribed in Schedule II of the Companies Act, 2013 except Leasehold Land which is amortized over the period of lease agreement on straight line basis. Additions during the year are being depreciated on a pro-rata basis from the date on which the asset was put to use. Similarly where any asset has been sold, discarded, demolished or destroyed, the depreciation on such asset is calculated on a pro-rata basis upto the date on which such asset has been sold, discarded, demolished or destroyed.

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



16

*Handwritten signature*

*Handwritten signature*



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.



*Handwritten signature*



**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**

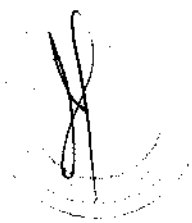
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount 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.



*Franchise*



**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

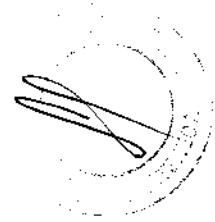
**6.7 Other estimates:**

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



## SHIRAM CREDIT COMPANY LIMITED

2. Property, Plant and Equipment														Rs. In Lacs
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)	Intangible assets under development	
Deemed cost as at April 01, 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	-	
Addition on account of acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adjustment due to reclassification	-	-	-	-	-	-	-	-	-	-	-	-	-	
Additions	0.46	-	-	1.41	12.21	-	51.69	132.87	9.99	1,593.78	1,792.41	58.62	45.00	
Disposals	29.07	-	-	11.07	156.80	-	225.22	476.00	308.21	1,495.25	2,698.62	37.92	-	
Gross carrying amount as at Mar 31, 2023	3.39	2,124.55	32.38	5.91	320.85	22.23	430.86	1,008.18	81.14	3,681.57	7,711.06	849.88	45.00	
Accumulated depreciation / amortisation and Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at April 01, 2022	23.28	150.22	19.63	12.46	357.24	15.72	608.56	1,102.78	310.04	1,642.12	4,142.06	890.88	-	
Addition on account of acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adjustment due to reclassification	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation for the period	1.93	21.46	0.95	0.88	14.17	2.54	33.01	124.72	10.00	771.32	980.98	28.66	-	
Depreciation on disposals	23.80	-	-	10.68	133.04	0.17	207.90	393.13	272.35	656.31	1,697.38	37.71	-	
Balance as at Mar 31, 2023	1.41	171.68	20.58	2.65	238.38	18.09	333.67	834.39	47.68	1,757.13	3,426.66	679.63	-	
Net Carrying Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at Mar 31, 2023	1.97	1,952.87	11.80	3.25	82.47	4.14	97.19	173.80	33.46	1,924.44	4,285.40	170.26	45.00	




*Handwritten signature*

## SHIRAM CREDIT COMPANY LIMITED

## 2. Property, Plant and Equipment (cont..)

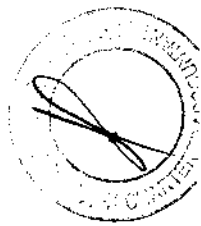
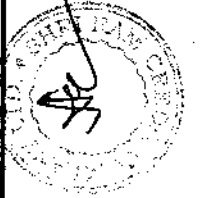
Particulars	Electrical Installation	Leasehold Land	Office Premises	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Leasehold Improvements	Right of Use Asset	Total Tangible Assets	Intangible Assets (Software)	Intangible assets under development
Deemed cost as at April 01, 2021	32.00	2,124.55	174.81	13.58	474.97	43.94	674.66	1,292.88	438.24	2,859.96	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	483.44	22.23	804.39	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	25.88	575.90	1,104.36	381.33	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	21.48	0.84	1.18	15.08	3.47	36.23	87.61	11.71	775.56	855.76	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	4,142.08	890.86	-
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	4,478.21	138.50	-




## SHIRAM CREDIT COMPANY LIMITED

## 3. Investments

Investments	As at 31-03-2023				As at 31-03-2022				Total	Amortised cost	FVTPL	Others	Total	Amortised cost	FVTPL	Others	Total	Total
	Amortised cost	FVTPL	Others	Total	Amortised cost	FVTPL	Others	Total										
I. In India																		
Mutual funds	-	6,114.17	-	6,114.17	-	7,719.92	-	7,719.92	-	-	-	-	-	-	-	-	-	7,719.92
Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	5,810.14	-	-	5,810.14	5,810.14	-	-	5,810.14	-	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
2. Tax free bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Subordinate debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Debentures and Bonds	208.03	-	-	208.03	-	-	-	208.03	-	-	-	-	-	-	-	-	-	-
5. 10.75% Shriram City Union Finance Ltd.	-	-	-	-	-	-	-	-	-	2,793.43	-	-	-	-	-	-	-	2,793.43
6. Compulsorily Convertible Preference Shares	-	10.01	-	10.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Redeemable Non- Convertible Preference Shares	-	400.00	-	400.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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
5. Others	73.64	-	-	73.64	73.64	-	-	73.64	-	262.29	10.01	-	-	-	-	-	-	272.30
Other Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Gross (A)	6,092.81	6,524.17	1.40	12,618.39	12,618.39	6,524.17	1.40	12,618.39	12,618.39	3,999.76	7,960.20	1.40	11,961.36	3,999.76	7,960.20	1.40	11,961.36	11,961.36
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	6,092.81	6,524.17	1.40	12,618.39	12,618.39	6,524.17	1.40	12,618.39	12,618.39	3,999.76	7,960.20	1.40	11,961.36	3,999.76	7,960.20	1.40	11,961.36	11,961.36
Total - (B)	6,092.81	6,524.17	1.40	12,618.39	12,618.39	6,524.17	1.40	12,618.39	12,618.39	3,999.76	7,960.20	1.40	11,961.36	3,999.76	7,960.20	1.40	11,961.36	11,961.36
Less: Impairment loss allowance (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net D = (A)-(C)	6,092.81	6,524.17	1.40	12,618.39	12,618.39	6,524.17	1.40	12,618.39	12,618.39	3,999.76	7,960.20	1.40	11,961.36	3,999.76	7,960.20	1.40	11,961.36	11,961.36



## SHRIRAM CREDIT COMPANY LIMITED

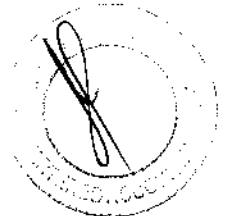
## 5. Loans &amp; advances

Rs. In Lacs

Particulars	As at 31-03-2023			As at 31-03-2022		
	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	2,623.47	1,333.63	3,957.10	2,253.47	-	2,253.47
(iii)Term loans (To Related Party)	-	-	-	-	-	-
(iv) Leasing	-	-	-	-	-	-
(v) Deposits	-	549.37	549.37	-	934.02	934.02
(vi) Loan Against Policies	-	-	-			-
(vii) Loan To employees	173.25	-	173.25	171.42	-	171.42
Others	567.05	0.11	567.16	1,214.77	2,481.74	3,696.51
Total (A) -Gross	3,363.77	1,883.11	5,246.88	3,639.66	3,415.76	7,055.42
Less: Impairment loss allowance	-	-	-			-
Total (A) -Net	3,363.77	1,883.11	5,246.88	3,639.66	3,415.76	7,055.42
(B) (i) Secured by tangible assets	-	-	-	-	-	-
(ii) Secured by intangible assets	2,623.47	1,883.00	4,506.47	2,253.47	934.02	3,187.49
(iii) Covered by Bank/Government Guarantees	-		-	-	-	-
(iv) Unsecured	740.31	0.11	740.41	1,386.19	2,481.74	3,867.93
Total (B) -Gross	3,363.77	1,883.11	5,246.88	3,639.66	3,415.76	7,055.42
Less: Impairment loss allowance	-	-	-	-	-	-
Total (B) -Net	3,363.77	1,883.11	5,246.88	3,639.66	3,415.76	7,055.42
(C) (I) Loans in India						
(i) Public Deposits	-	1,883.00	1,883.00	-	934.02	934.02
(ii) Others	3,363.77	0.11	3,363.88	3,639.66	2,481.74	6,121.40
Total (C) -Gross	3,363.77	1,883.11	5,246.88	3,639.66	3,415.76	7,055.42
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (I) -Net	3,363.77	1,883.11	5,246.88	3,639.66	3,415.76	7,055.42
(C) (II) Loans Outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)-Net	-	-	-	-	-	-
Total C(I) and C(II)	3,363.77	1,883.11	5,246.88	3,639.67	3,415.76	7,055.42



*Handwritten signature*



SHRIRAM CREDIT COMPANY LIMITED

4. Cash and cash equivalents

Rs. In Lacs

Particulars	As at 31-03-2023	As at 31-03-2022
a. Cash and cash equivalents		
i. Cash on Hand	10.48	9.67
ii. Balance with Scheduled banks in current account(s)	3,719.73	8,435.53
	3,730.21	8,445.20
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	4,588.75	15,872.08
ii. Deposit with original maturity of more than 12 months	-	-
ii. Interest Accrued & Due on bank Fixed Deposit	49.73	-
	-	-
c. Other than Bank Balance	-	-
Deposit with exchange as Margin money	9,221.25	-
	13,859.74	15,872.08
	17,589.95	24,317.28

6. Other Assets

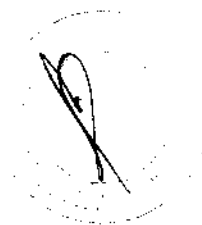
Particulars	As at 31-03-2023		As at 31-03-2022	
	Long Term	Short Term	Long Term	Short Term
Prepaid Expenses	6.24	125.65	9.66	25.60
Claims Receivable	-	19.73	-	-
Statutory Receivables	42.18	81.05	36.37	-
Others	1,219.44	6,369.04	110.52	1,071.48
	1,267.84	6,595.48	156.55	1,097.08

7. Trade Receivables

Particulars	As at 31-03-2023	As at 31-03-2022
Secured and Considered Good		
Outstanding for a period exceeding six months	108.60	-
Others	2,184.52	11,666.00
Unsecured and Considered Good		
Others	2,767.68	-
Gross Total	5,060.81	11,666.00
Less: Provisions for Bad Debts	263.48	21.96
Net Total	4,797.33	11,644.04



*Franch.*





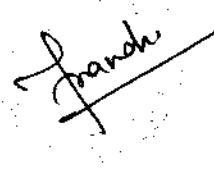
## 8.1 Share Capital

Rs. In Lacs

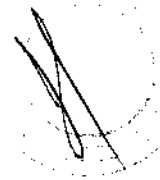
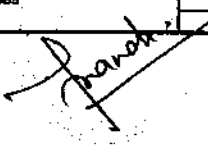
Particulars	As at 31-03-2023		As at 31-03-2022	
	No. of Shares	Rs. In Lacs	No. of Shares	Rs. In Lacs
<b>Authorised Share Capital:</b>				
Equity shares of Rs.10/- each	2,70,00,000	2,700.00	2,50,00,000	2,500.00
Compulsorily Convertible Preference Shares of Rs. 10/- each	-	-	-	-
	<b>2,70,00,000</b>	<b>2,700.00</b>	<b>2,50,00,000</b>	<b>2,500.00</b>
<b>Issued, subscribed and paid up capital:</b>				
Equity share of Rs. 10/- each	2,40,63,129	2,406.31	2,40,63,129	2,406.31
<b>Terms/rights attached to share holders</b> 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.				
<b>a) Reconciliation of number of equity shares and equity share capital</b>				
Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rs. In Lacs	Number	Rs. In Lacs
Balance as at the beginning of the year	2,40,63,129	2,406.31	2,40,63,129	2,406.31
Increase/Decrease	-	-	-	-
Balance as at the end of the year	<b>2,40,63,129</b>	<b>2,406</b>	<b>2,40,63,129</b>	<b>2,406</b>
<b>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</b>				
Name of Shareholder	As at 31-03-2023		As at 31-03-2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	-	-	2,40,61,889	99.99%
Shriram Investment Holdings Limited	2,40,61,859	99.99%	-	-
<b>c) Details of shareholders holding more than 5% of the aggregate shares in the Company:</b>				
Name of Shareholder	As at 31-03-2023		As at 31-03-2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	-	-	2,40,61,889	99.99%
Shriram Investment Holdings Limited	2,40,61,859	99.99%	-	-

## 8.2 Subordinated Liability

Particulars	As at 31-03-2023		As at 31-03-2022	
	No. of Shares	Rs. In Lacs	No. of Shares	Rs. In Lacs
<b>Authorised Preference Shares:</b>				
6.5% Non - Convertible Cumulative Redeemable Preference Shares (Tenure 10 years)	2,50,00,000	2,500	2,50,00,000	2,500
	<b>2,50,00,000</b>	<b>2,500</b>	<b>2,50,00,000</b>	<b>2,500</b>
<b>Issued, subscribed and paid up capital:</b>				
Preference share of Rs. 10/- each	2,40,00,000	2,400	2,40,00,000	2,400
<b>a) Reconciliation of number of Preference shares</b>				
Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rs. In Lacs	Number	Rs. In Lacs
Balance as at the beginning of the year	2,40,00,000	2,400	-	-
Increase/Decrease	-	-	2,40,00,000	2,400
Balance as at the end of the year	<b>2,40,00,000</b>	<b>2,400</b>	<b>2,40,00,000</b>	<b>2,400</b>
<b>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</b>				
Name of Shareholder	As at 31-03-2023		As at 31-03-2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	-	-	2,40,00,000	100%
Shriram Investment Holdings Limited	2,40,00,000	100.00%	-	-
<b>c) Details of shareholders holding more than 5% of the aggregate shares in the Company:</b>				
Name of Shareholder	As at 31-03-2023		As at 31-03-2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	-	-	2,40,00,000	100%
Shriram Investment Holdings Limited	2,40,00,000	100.00%	-	-



9. Other Equity					Rs. In Lacs	
Particulars					As at 31-03-2023	As at 31-03-2022
<b>A. (i) Capital Reserve</b>					25.00	25.00
<b>(ii) Capital Reserve on Merger</b>					90.00	
					115.00	25.00
Capital Reserve on Consolidation (Net of Goodwill of Shriram Assets Management Co. Ltd. - Rs. 1,04,88,861/-)					3,988.74	3,992.64
Adjustment for additional acquisition					-	-
Total					3,988.74	3,992.64
Statutory Reserve - at the beginning					957.48	955.99
Add: Transfer during the period					-	1.50
Statutory Reserve - at the end					957.48	957.48
Securities Premium Reserve - at the beginning					7,336.53	7,336.53
Add: Receipts during the period					347.87	-
Securities Premium Reserve - at the end					7,684.39	7,336.53
Remeasurement of Defined Benefit Plans					-	-
ESOP adjustments					11.41	3.08
General Reserve					15.27	15.27
Surplus - At the beginning					15,241.11	14,996.81
Opening Adjustments					-	-
Diminution in the value of Investment in Subsidiary					-	-
Other Comprehensive Income					-	-
Add: Net Profit after tax transferred from Statement of Profit and Loss					(781.30)	253.16
Appropriations						
i. Transfer to Statutory Reserve (Applicable to Shriram Credit Company Limited)					-	(1.50)
ii. Provision for Tax					-	-
iii. Adjustment for additional acquisition*					(76.98)	(7.35)
iv. Other Adjustments					221.64	-
Surplus / (Deficit) - Balance at the end of the period					14,604.46	15,241.11
Total Reserves and Surplus					27,376.75	27,571.11
* 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					Rs. In Lacs	
Particulars					As at 31-03-2023	As at 31-03-2022
Opening balance					911.60	858.58
Add: Asset recognized during the year					407.86	69.43
Less: Set-off during the year					-	16.41
Closing balance					1,319.46	911.60
11. Other Liabilities					Rs. In Lacs	
Particulars	As at 31-03-2023		As at 31-03-2022			
	Long Term	Short Term	Long Term	Short Term		
Taxes & Duties Payable	12.55	11.06	-	286.69		
Caution deposits & Others	-	143.57	-	-		
Statutory & Other Dues pertaining to employees	83.61	339.24	762.21	448.38		
Operating Lease Liability	1,940.65	184.83	1,808.54	334.08		
Employee welfare fund	78.29	470.96	42.98	-		
Others	-	-	-	-		
Provision for expenses	-	-	468.14	8.80		
Claims & Other Payables	196.28	617.02	-	249.79		
Other Expenses	963.73	1,102.57	-	2,374.70		
	3,275.12	2,889.25	3,081.87	3,702.44		
12. Provisions					Rs. In Lacs	
Particulars	As at 31-03-2023		As at 31-03-2022			
	Long Term	Short Term	Long Term	Short Term		
For employee benefits						
For Gratuity	856.13	130.24	940.60	158.53		
For Leave encashment and availment	411.14	66.31	472.92	90.84		
For Bonus & Exgratia	-	53.86	-	82.98		
Others						
Provision on Standard Assets	5.33	-	-	9.12		
Provision for NPA	-	-	-	-		
CSR to be Deposited in Fund	-	53.32	-	41.46		
Provision for Expenses	-	11.04	-	9.56		
Provision for Distribution of Expenses	-	1,187.71	-	1,858.76		
	1,272.60	1,502.47	1,413.52	2,251.25		



## SHRIRAM CREDIT COMPANY LIMITED

## 13.(a) Revenue from operations

Rs. In Lacs

Particulars	As at 31-03-2023	As at 31-03-2022
Income from financing activities		
Interest on loan portfolio and other related charges	1,208.17	362.15
Commission, Brokerage & Other Service Charges	26,902.21	37,563.29
Recovery from Drs. Previously written off as bad	-	-
Management Fees	6,026.48	1,240.81
Interest from other financing activities		
Interest on ICD	472.22	-
Income on current investments		
Dividend Income	3.69	1.64
Profit/(Loss) on Sale of Investments	6.03	80.86
	34,618.79	39,248.75

## 13.(b) Other Income

Particulars	As at 31-03-2023	As at 31-03-2022
Interest Income	153.65	1,400.58
Fair Value Gain on Investments	166.08	305.75
Other Non-operating Income	413.76	628.96
	733.47	2,425.30

Particulars	As at 31-03-2023	As at 31-03-2022
14. Employee benefit expenses		
Salaries, other allowances and bonus	10,590.06	11,421.48
Contribution to PF, ESIC	588.00	582.87
Staff welfare	150.01	153.57
Total	11,328.07	12,157.92
15. Finance Cost		
Interest paid on ICD/Loans from institutions and others	781.97	389.57
Total	781.97	389.57
16. Other expenses		
Distribution Expenses	12,772.97	17,471.02
Rent	376.83	405.76
Traveling & Conveyance	411.82	289.62
Printing & Stationery	73.76	101.33
Repair & Maintenance	731.71	625.43
Communication Expenses	248.19	273.33
Electricity Charges	121.28	130.42
Business Promotion	457.36	1,625.37
Professional charges	1,757.64	1,420.68
Corporate Social Responsibility (CSR) Expenses	11.86	16.78
Interest on Lease Liability	9.96	16.29
Commission	5,106.27	1,521.22
Internal Audit and Concurrent Audit Fees	-	0.60
Payment to Auditor		
Statutory Audit Fees	55.21	45.74
Tax Audit Fees	1.40	2.34
Reimbursement of Expenses	0.15	0.32
Total Payment to Auditor	56.76	48.39
Royalty Charges	79.20	79.34
Other expenses	906.65	3,742.61
Total	23,122.25	27,768.18
17. Provisions and write offs		
Provision for NPA	-	(0.13)
Provision for Standard assets	(3.79)	(29.16)
Provisions for Doubtful Debts	14.93	-
Bad Debts written off	4.37	67.55
Total	15.50	38.28



*franch.*



## SHRIRAM CREDIT COMPANY LIMITED

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/23	31/Mar/22
Shriram Credit Company Limited	120.65	324.98
Shriram Fortune Solutions Limited	-	86.21
Shriram Wealth Advisor Limited	-	-
Shriram Financial Product Solution Private Limited	-	37.56
Shriram Insight Share Brokers Limited	1,479.60	928.50
Shriram Assets Management Company Limited	2.79	1.51
Way 2 Wealth Securities Pvt Ltd	3,775.15	3,251.36
Nature Of Facility	Amount Sanctioned (Rs)	Amount Utilised (Rs)
(a) Debtors Funding	1,500.00	-
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.		
(a) Bank Guarantee	10.00	-
Fully secured by FD.		
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)
Counter Guarantee given to HDFC Bank (partly secured by FD of Rs. 1280 lakhs of the Company endorsed in favour of HDFC bank and 2,26,100 units of Mutual Fund belonging to company pledged in favour of the bank.)	3,500.00	3,500.00
Way 2 Wealth Brokers (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	5,500.00

## 20 Related Party Disclosure

Holding Company	Shriram Investment Holdings Limited (SIHL)
Fellow Subsidiary	Shriram Life Insurance Company (SLIC) Shriram General Insurance Company (SGIC) Shriram Value Services Limited (SVS) Way2Wealth Insurance Brokers Private Limited (W2WIB)
Company under Common Control	Shriram Finance Company Ltd (SFL) Shriram City Union Finance Ltd (SCUF)
Step Down Subsidiary of Fellow Subsidiary	Novac Technology Solutions Private Limited Shriram Housing Finance Limited (SHFL)
Other Person having significant influence	Shriram Ownership Trust (SOT)

As on 31 March 2023

Particulars	Holding Company	Fellow Subsidiary					Company under Common Control		Step Down Subsidiary of Fellow Subsidiary		KMP	Total
		SIHL	SLIC	SGIC	SVS	W2WIB	SFL	SCUF	SHFL	NOVAC		
Interest Received	-	-	-	-	-	-	498.72	-	-	-	-	498.72
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	48.44	38.57	-	-	14.58	1.53	-	0.96	-	-	104.08
Distribution Income	-	6,275.54	28.75	-	-	-	3,319.38	2,578.95	-	-	-	17,200.62
Sale of Services	-	-	-	-	-	-	1,489.74	1,922.98	1,003.41	-	-	4,416.13
Brokerage Income	-	-	-	-	202.03	-	45.62	-	-	-	-	247.65
FD Commission	-	0.07	0.00	-	-	-	1,094.94	-	-	-	-	1,095.02
Maintenance of NCD & Equity Shares	-	-	-	-	0.05	-	3.00	-	0.51	0.17	-	3.83
Marketing Income	-	-	-	-	-	-	34.19	2.44	-	-	-	36.63
Deposit Income	-	-	-	-	-	-	158.85	1.89	-	-	-	160.74
Loan Borrowed	-	-	-	-	384.26	-	-	-	-	-	-	384.26
Other Receipts	-	-	-	-	-	-	2,051.26	-	-	-	-	2,051.26
Interest Paid	-	-	-	-	0.54	-	-	-	-	-	-	0.54
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Rent Paid	4.42	-	-	-	-	-	38.96	11.30	-	-	-	54.68
Insurance Premium	-	32.59	19.15	-	-	-	-	-	-	-	-	51.74
Reimbursement of Expenses	0.96	-	-	-	-	-	103.75	3.67	-	-	-	108.38
Royalty paid	-	-	-	-	79.20	-	-	-	-	-	-	79.20
IT & Network Support Services	-	-	-	-	-	-	-	-	-	120.10	-	120.10
Other Expenses	-	131.81	-	-	-	-	425.09	-	30.00	-	-	586.90
Fund received & refunded	-	-	-	-	5,000.00	-	-	-	-	-	-	5,000.00
Subordinated Liability	2,400.00	-	-	-	-	-	-	-	-	-	-	2,400.00
Debit Balance Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Distribution Income	-	730.35	0.01	-	-	-	-	-	-	-	-	730.37
Other Receivable	-	-	0.74	0.03	8.75	1,099.74	-	-	0.04	-	149.71	1,259.01
Investment in NCD	-	-	-	-	-	215.88	-	-	-	-	-	215.88
Investment in Fixed Deposit	-	-	-	-	-	5,730.52	-	413.04	-	-	-	6,143.56
Loan & Advance Given	-	-	-	-	10.21	-	-	-	-	-	-	10.21
Credit Balance Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Rental Payable	-	-	-	-	25.78	-	394.62	-	-	1.21	-	421.60
Other Current Liability	-	-	-	-	50.00	-	-	-	-	-	-	50.00
Loan Borrowed	-	-	-	-	-	-	-	-	-	-	-	-



**21 Segment Reporting**

The Group is engaged in financing, share broking, 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

As at 31-03-2023

Rs. in Lacs

Particulars	Financing Activity	Stock Broking	Financial Products Distribution	Wealth Management	Total
Segment Revenue	5,548.89	11,008.48	17,516.23	1,278.87	35,352.27
Profit Before Tax	(203.54)	(537.72)	(223.84)	61.92	(903.17)
Less: Income Taxes	31.26	13.78	11.75	(35.57)	21.11
Net Profit After Tax	(234.80)	(551.49)	(235.59)	97.59	(924.29)
<b>Other Information</b>					
Segment Assets	8,606.97	35,121.76	4,171.24	8,740.83	56,640.80
Segment Liabilities	3,085.82	17,689.01	2,308.94	1,224.49	24,308.27
Capital Expenditure	-	-	-	-	-
Depreciation	69.77	501.39	384.73	51.78	1,007.64
Other Non Cash Expenditure	(3.79)	19.30	-	-	15.50

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

Particulars	31/Mar/23	31/Mar/22
No. of shares considered as basis weighted average shares outstanding	2,40,63,129	2,40,63,129
Add: Effect of dilutive issues of shares	-	-
Number of shares considered as weighted average shares and potential shares outstanding	2,40,63,129	2,40,63,129

**23 Previous year's figures have been regrouped / rearranged wherever necessary conforming to current year's classification.****24 Details of CSR expenditure:**

Particulars	For the period ended	
	31-Mar-23	31-Mar-22
Gross amount required to be spent by the company during the year	11.86	16.78
Amount spent during the period	-	-
Amount unspent transferred to separate Bank Account	11.86	16.78

**25 During the period ended 31st March 2023, the company has subscribed 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 Subscription of aforesaid Investment has been capitalised.****26 As on 31/03/2023 & 31/03/2022, there are no outstanding dues to Micro and small enterprises.****27 The Board at its Meeting held on February 10, 2023 had approved the proposal of scheme of amalgamation between M/s. Shriram Credit Company Limited ("Transferee Company") and its wholly owned subsidiary company M/s. Shriram Financial Products Solution (Chennai) Private Limited ("Transferor Company"), pursuant to provisions of Section 233 and other applicable provisions, if any of the Companies Act, 2013.**

Further, on satisfaction of all the conditions as specified in the Scheme, The Regional Director, Chennai, vide order dated April 18, 2023 has approved the Scheme under Section 233 of the Companies Act, 2013 with effect from January 1, 2023 (Appointed Date).

The amalgamation was accounted as a common control business combination in accordance with the accounting prescribed under "Pooling of Interest Method" as laid down in Appendix C of Ind AS 103 (Business Combinations of entities under common control) and as per the specific provisions of the scheme. Accordingly, the scheme has been given effect to in these financial statements and all assets, liabilities and reserves and income and expenditure of the Transferor Company stand transferred to and vested in the Transferee Company subject to value of investments held by the transferee company in the transferor company and inter-company balances between the transferee company and the transferor company appearing in the books stand cancelled pursuant to amalgamation.

**28 M/s Insight Commodities & Futures Private Limited ("Transferor Company") was amalgamated with M/s Shriram Insight Share Brokers Limited ("Transferee Company"), a subsidiary company of Shriram Credit Company Limited (SCCL), with effect from January 1, 2022 vide order of the Regional Director, Chennai, dated May 19, 2022, which was received post finalization of SCCL Consolidated Financial Statement for FY 2021-22, now given effect to in this Financial Statements.**

As per our report of even date  
**FIR K.S. Aiyar & Co.**  
 Chartered Accountants  
 Firm Rego No. 100188W

S. Ghosh  
 Partner  
 Membership No. 050927

UDIN - 23050927B9YEBV4637

Place: Mumbai  
 Date: 10.05.2023

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

Akhilesh Kumar Singh  
 Vice Chairman  
 DIN : 00421577

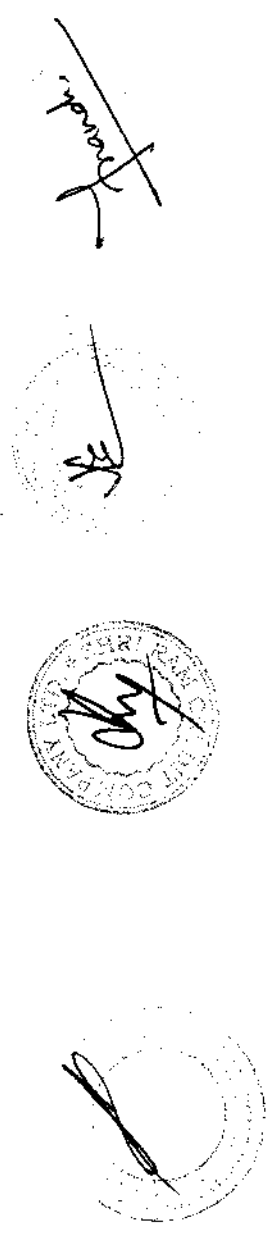
M R Shashibhushan  
 Managing Director  
 DIN : 00482377

Trina Nandi  
 Company Secretary  
 Place: Chennai  
 Date: 10.05.2023

# Shriram Credit Company Limited

Rs. in Lacs

	As at 31-03-2023				As at 31-03-2022			
	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)	377.89	-	-	377.89	901.03	-	-	901.03
<b>Total (A)</b>	<b>377.89</b>	<b>-</b>	<b>-</b>	<b>377.89</b>	<b>901.03</b>	<b>-</b>	<b>-</b>	<b>901.03</b>
Borrowings in India	377.89	-	-	377.89	901.03	-	-	901.03
Borrowings outside India	-	-	-	-	-	-	-	-
<b>Total (B) to tally with (A)</b>	<b>377.89</b>	<b>-</b>	<b>-</b>	<b>377.89</b>	<b>901.03</b>	<b>-</b>	<b>-</b>	<b>901.03</b>



**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	Rs. In Lacs			
	31/03/2023		31/03/2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
Measured at amortised cost				
Loans				
Other financial assets	5,246.88	5,246.88	7,055.43	7,055.43
Trade receivables			934.02	934.02
Investments	4,797.33	4,797.33	11,644.04	11,644.04
Cash and cash equivalents	12,618.39	12,618.39	11,555.60	11,555.60
Bank balances other than cash and cash equivalents	17,589.95	17,589.95	24,317.28	24,317.28
<b>Total financial assets at amortised cost (A)</b>	<b>40,252.55</b>	<b>40,252.55</b>	<b>55,506.37</b>	<b>55,506.37</b>
Measured at fair value through other				
comprehensive income (B)				
Measured at fair value through profit and loss (C)				
<b>Total financial assets (A+B+C)</b>	<b>40,252.55</b>	<b>40,252.55</b>	<b>55,506.37</b>	<b>55,506.37</b>
<b>Financial liabilities</b>				
Measured at amortised cost				
Trade payables	12,610.93	12,610.93	19,984.52	19,984.52
Borrowings	377.89	377.89	901.03	901.03
Operating Lease Liability	2,125.48	2,125.48	2,142.62	2,142.62
Other financial liabilities	549.25	549.25	42.98	42.98
<b>Total financial liabilities carried at amortised cost</b>	<b>15,663.56</b>	<b>15,663.56</b>	<b>23,051.15</b>	<b>23,051.15</b>

**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
- Credit risk; and
- Liquidity risk

**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.



*[Handwritten signature]*

#### 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.

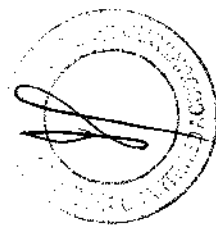
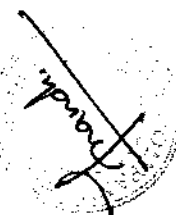
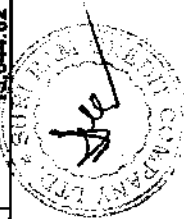
#### E. Liquidity risk management

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 2023

Particulars	≤ 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Cash and cash equivalents	17,589.95	-	-	17,589.95
Bank balances other than cash and cash equivalents	-	-	-	-
-Fixed Deposits	-	-	-	-
-Margin money held with banks	-	-	-	-
Trade receivables	4,797.33	-	-	4,797.33
Loans	3,363.77	1,883.11	-	5,246.88
Investments	-	-	-	-
-Investment in shares of subsidiaries & associates	-	-	-	-
-Investment in other equity shares	-	73.64	1.40	75.04
- Investment in mutual funds	6,114.17	-	-	6,114.17
-Investment in Tax free Bonds	-	-	-	-
-Investment in G. Sec	-	-	-	-
-Investments in Sub-debt	-	6,429.18	-	6,429.18
Other Financial Assets	-	-	-	-
-Interest Receivable	-	-	-	-
-Advance for Expenses	-	-	-	-
- Rent Deposit	-	-	-	-
-Other Deposit	-	-	-	-
<b>Total financial assets</b>	<b>31,865.22</b>	<b>8,385.93</b>	<b>1.40</b>	<b>40,252.55</b>
<b>Financial liabilities</b>				
Borrowings	377.89	-	-	377.89
Other payables	12,610.93	-	-	12,610.93
Operating Lease Liability	184.83	1,940.65	-	2,125.48
Other financial liabilities	470.96	78.29	-	549.25
-Salary Payable	-	-	-	-
-Bonus Payable	-	-	-	-
<b>Total financial liabilities</b>	<b>13,644.62</b>	<b>2,018.94</b>	<b>-</b>	<b>15,663.56</b>





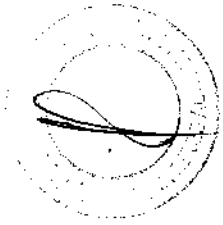
Liquidity exposure as at 31 Mar 2022

Particulars	< 1 year	1-5 years	> 5 years	Total	Rs. In Lacs
<b>Financial assets</b>					
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
<b>Investments</b>					
- Investment in shares of subsidiaries & associates	-	-	-	-	-
- Investment in other equity shares	-	262.29	1.50	-	263.79
- Investment in mutual funds	4,738.91	2,987.86	-	-	7,726.77
- Investment in Tax free Bonds/Debt Securities	-	-	-	-	-
- Investment in G. Sec	-	-	-	-	-
- Investments in Sub-debt	-	3,960.79	-	-	3,960.79
- Deposit with PNB	-	-	-	-	-
<b>Other Financial Assets</b>					
- Interest Receivable	-	-	-	-	-
- Advance for Expenses	-	-	-	-	-
- Rent Deposit	-	934.02	-	-	934.02
- Other Deposit	-	-	-	-	-
<b>Total financial assets</b>	<b>44,339.90</b>	<b>11,560.72</b>	<b>1.50</b>	<b>1.50</b>	<b>55,902.12</b>
<b>Financial liabilities</b>					
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
- Bonus Payable	-	42.98	-	-	42.98
<b>Total financial liabilities</b>	<b>21,199.63</b>	<b>1,851.52</b>	<b>-</b>	<b>-</b>	<b>23,051.15</b>



*Handwritten signature*

*Handwritten signature*



**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 31-03-2023	For the period ended 31-03-2022
Employer's Contribution to Provident Fund (includes pension fund)	588.00	582.87

**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	31/03/2023	31/03/2022
<b>Liability recognized in the Balance Sheet</b>		
Present value of defined benefit obligation		
Opening Balance	1,196.16	1,252.39
Current Service Cost	81.57	206.17
Past Service Cost	-	-
Interest Cost	81.62	84.11
Actuarial Loss/(Gain) on obligation	(27.88)	(104.12)
Liability transferred In /Acquisitions	23.40	(2.08)
Benefits paid	(65.85)	(113.90)
Liability Transferred In	8.84	-
Liability Transferred out	(288.72)	-
Closing Balance	1,009.15	1,322.57
Less: Fair Value of Plan Assets		
Opening Balance	97.02	221.27
Expected Return on Plan assets less loss on investments	7.18	17.41
Actuarial (Loss)/Gain on Plan Assets	(0.38)	(3.17)
Employers' Contribution	-	98.04
Benefits paid	-	(28.20)
Return on Plan Assets excluding Expected Income	-	2.57
Closing Balance	103.82	307.92
Amount recognized in Balance Sheet	905.33	1,014.65
<b>Expenses during the year</b>		
Current Service cost	81.57	112.12
Past Service cost	-	-
Interest cost	81.62	38.49
Expected Return on Plan assets	7.18	-
Component of defined benefit cost recognized in statement of profit & loss	156.02	150.61
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(13.83)	(132.08)
- Actuarial Loss/(Gain) on Plan Assets	0.38	0.60
Component of defined benefit cost recognized in other comprehensive income	(13.45)	(131.48)
Total	142.57	19.13
Actual Return on plan assets	-	13.64



## Principal actuarial assumptions

Particulars	31/03/2023	31/03/2022
Discount Rate	7.30% to 7.52%	6.80% to 7.33%
Expected rate(s) of salary increase	5% to 9.74%	5% to 9.74%
Expected return on plan assets	8.00%	8.00%
Attrition rate	2% to 39%	2% to 39%
Mortality rate during employment	Indian assured lives mortality 2012-2014 Ult.	Indian assured lives mortality 2012-2014 Ult.

## Experience adjustments

Particulars	31/03/2023	31/03/2022
Defined Benefit Obligation	54.34	1,322.57
Plan Assets	103.82	307.92
Surplus / (Deficit)	(81.05)	(1,014.65)
Experience Adjustments on Plan Liabilities – (Loss)/Gain	(2.41)	18.79
Experience Adjustments on Plan Assets – (Loss)/Gain	(13.00)	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	31/03/2023	31/03/2022
Defined Benefit Obligation	452.88	1,322.57
Plan Assets	103.82	307.92
Net (liability) /asset arising from defined benefit obligation	(348.86)	(1,014.65)

## Sensitivity Analysis:

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

Particulars	Impact on Defined benefit obligation Increase/ (Decrease)	
	31/03/2023	31/03/2022
Discount rate - 1% Increase	(77.28)	261.44
Discount rate - 1% Decrease	131.39	303.91
Future salary growth - 1% Increase	119.89	303.72
Future salary growth - 1% Decrease	(68.82)	261.25
Attrition rate - 1% Increase	29.59	281.90
Attrition rate - 1% Decrease	15.22	280.92

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



*Handwritten signature*

**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	Rs. In Lacs	
		For the year ended	
		31/03/2023	31/03/2022
<b>Current tax:</b>			
Current tax		355.93	167.27
Tax pertaining to earlier years		78.95	84.22
<b>Deferred tax</b>		(413.77)	35.39
<b>Total</b>		<b>21.11</b>	<b>286.88</b>

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	
	31/03/2023	31/03/2022
<b>Profit before tax</b>	<b>(903.17)</b>	<b>341.52</b>
Enacted tax rate in India		
Expected income tax expense at statutory tax rate	(152.10)	202.30
<u>Tax impact on account of</u>		
Depreciation under Income-tax Act	(21.14)	(22.59)
Provision against loans & advances	-	(6.52)
Expenses allowed only on payment basis	-	13.54
Expenses not deductible in determining taxable profits	90.26	115.57
Income not taxable - Dividend, Interest from tax free bonds	-	-
Deductions allowable under tax laws	(0.26)	13.88
Short term and Long term capital gain chargeable at different rates	3.98	1.16
Others	100.38	(30.46)
<b>Total</b>	<b>21.11</b>	<b>286.88</b>
<b>Effective income tax rate #</b>	<b>-2.34%</b>	<b>84.00%</b>

# Effective income tax rate has been calculated by dividing total tax expenses by profit before tax.

**Current Tax Liabilities**

Particulars	As at 31-03-2023	As at 31-03-2022
Current tax Assets (Net)	2,684.09	1,502.80

**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 31-03-2023	As at 31-03-2022
<b>Deferred Tax Asset:</b>		
On account of depreciation	306.96	(33.79)
On account of employee benefits	275.24	8.01
Ind As Adjustment on Security Deposit	0.63	(8.05)
Ind As Adjustment on Lease	41.99	
MAT Credit	300.93	92.48
Others	639.05	(1,294.63)
<b>Deferred Tax Liability:</b>		
Mutual fund and other investments	(245.35)	324.38
<b>Deferred Tax (Asset)/Liabilities (Net)</b>	<b>(1,319.46)</b>	<b>(911.60)</b>



**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.

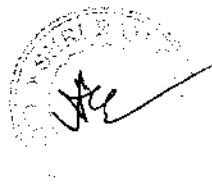
Rs. In Lacs			
	Particulars	31/03/2023	31/03/2022
(a)	Expense relating to short-term leases accounted for applying paragraph 6 of Ind AS 116*	547.00	535.68
(b)	Income from subleasing of right-of-use assets earned during the period	22.92	10.09
(c)	Total cash outflow for leases during the period	892.29	906.92
(d)	Carrying amount of right-of-use assets at the end of the reporting period	1,924.44	1,950.92

**Maturity Analysis of lease undiscounted liabilities**

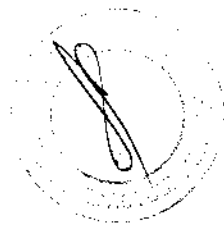
Maturity Analysis of lease undiscounted liabilities				Rs. In Lacs
	< 1 year	1-5 years	> 5 years	Total
As at 31-03-2023	184.83	1,940.65	-	2,125.48
As at 31-03-2022	334.08	1,808.54	-	2,142.62

\*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.



*Franch.*




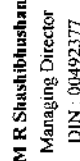
FORM AOC I						
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on 31st March, 2023						
[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]						
Part 'A': Subsidiary						
1. Name of the Subsidiary Company	Shriram Fortune Solutions Limited	Shriram Wealth Limited	Shriram Asset Management Company Limited	Shriram Insight Share Brokers Limited	SEA Funds Management India Private Limited	Way2Wealth Securities Pvt. Ltd.
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
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.
4. Share capital	939.40	700.00	6,044.32	350.00	108.02	4,750.15
5. Reserves & surplus	922.91	(894.97)	(177.35)	14,595.96	201.67	951.04
6. Total assets	4,171.25	304.61	8,119.78	20,442.82	326.58	19,828.35
7. Total Liabilities	2,308.94	499.58	2,252.81	5,496.86	16.89	14,127.15
8. Investments	43.98	NIL	6,597.64	2,578.68	239.15	428.79
9. Turnover	17,516.23	965.29	583.61	5,050.77	86.56	6,198.09
10. Profit before taxation	131.47	(88.28)	(447.48)	561.49	28.07	(849.91)
11. Provision for taxation	11.75	(1.92)	(44.40)	182.20	6.81	(168.43)
12. Profit after taxation	119.72	(90.20)	(403.08)	379.28	21.26	(681.49)
13. Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
14. % of shareholding	95.81%	100.00%	63.94%	100.00%	100.00%	99.75%

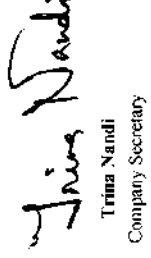
Notes: The following information shall be furnished at the end of the statement:

- 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

  
Trina Nandi  
Company Secretary

**Part "B": Associates and Joint Ventures- NONE**

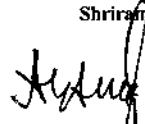
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

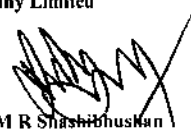
Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	N.A.	N.A.	N.A.
2. Shares of Associate/Joint Ventures held by the company on the year end	N.A.	N.A.	N.A.
No.			
Amount of Investment in Associates/Joint Venture	N.A.	N.A.	N.A.
Extend of Holding %	N.A.	N.A.	N.A.
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.
	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 Shashibhusan  
Managing Director  
DIN : 00492377

  
Trina Nandi  
Company Secretary