SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SEC/FILING/NSE-BSE/20-21/68B **July 24, 2020**

The Secretary
BSE Limited
P J Street
Dalal Street,
Mumbai – 400 001.
Scrip Code : 511218

National Stock Exchange of India Limited
Exchange Plaza, 5th floor
Plot no. C/1, G- Block
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051.
Scrip Code : SRTRANSFIN

Dear Sir/Madam,

Sub: Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') – Notice of the 41st Annual General Meeting and Annual Report for the Financial Year 2019-20

In continuation to our letter dated June 10, 2020 and pursuant to Regulations 30 and 34 read with paragraph A of Part A of Schedule III of the Listing Regulations, we are enclosing the Annual Report for the Financial Year 2019-20 also containing Notice of the 41st Annual General Meeting of the Company (including e-voting instructions) scheduled to be held on Wednesday, August 19, 2020 at 3.30 p.m. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

The Notice of the 41st Annual General Meeting and the Annual Report for the Financial Year 2019-20 is available on the Company's website at the link:

https://www.stfc.in/investors/annual-reports/

In compliance with the General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April13, 2020 and 20/2020 dated May 05, 2020 issued by the Ministry of Corporate Affairs and SEBI Circular dated May 12, 2020, electronic copies of the Annual Report for F.Y.2019-20 also containing Notice of the 41st Annual General Meeting of the Company (including e-voting instructions) are being dispatched to all the Members whose email addresses are registered with the Company/Depository Participant(s).

Kindly take the same on record.

Thanking you,

for **SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

VIVEK ACHWAL
COMPANY SECRETARY
Encl:a/a



A WINNING RELATIONSHIP

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FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

CORPORATE
INFORMATION

Corporate Identity Number (CIN)

L65191TN1979PLC007874

BOARD OF DIRECTORS

Chairman (Non - Executive)
Mr. S. Lakshminarayanan (Independent)

Managing Director & CEO
Mr. Umesh Revankar

Directors
Mrs. Kishori Udeshi (Independent)
Mr. S. Sridhar (Independent)
Mr. Pradeep Kumar Panja (Independent)
Mr. Puneet Bhatia
Mr. D. V. Ravi
Mr. Gerrit Lodewyk Van Heerde
(upto May 08, 2019)
Mr. Ignatius Michael Viljoen
(w.e.f. May 14, 2019)

EXECUTIVE DIRECTOR & CFO

Mr. Parag Sharma

COMPANY SECRETARY

Mr. Vivek Achwal

AUDITORS

M/s. Haribhakti & Co., LLP, Chartered Accountants
M/s. Pijush Gupta & Co., Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited,
2nd Floor, 'Kences Towers', No. 1,
Ramakrishna Street, North Usman Road,
T. Nagar, Chennai - 600 017. Tel No. : +91 44 281 408 01/02/03, Fax: +91 44 2814 2479

DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R Kamani Marg,
Ballard Estate, Mumbai – 400 001.
Mr. Jatin Bhat
Tel No. : +91 22 40807000, Fax: + 91 22 66311776
itsl@idbitrustee.com

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg,
Dadar West, Mumbai- 400 028.
Mr. Anil Grover
Tel No. : + 91 22 6230 0451, Fax: +91 22 6230 0700
debenturetrustee@axistrustee.com

Catalyst Trusteeship Limited (Formerly known as GDA Trusteeship Limited)
Office No. 604, 6th floor, Windsor,
C.S.T. Road, Kalina, Santacruz (East), Mumbai 400098.
Mr. Umesh Salvi
Tel No. : +91 22 – 49220555, Fax: +91 22 49220505
umesh.salvi@ctltrustee.com

REGISTERED OFFICE

Mookambika Complex, 3rd Floor, No. 4,
Lady Desika Road, Mylapore, Chennai – 600 004.
Tel No. : +91 44 2499 0356 Fax: +91 44 2499 3272

CORPORATE OFFICE

Wockhardt Towers, West Wing, Level-3, C-2, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
Tel No. : +91 22 4095 9595, Fax: +91 22 4095 9597

LISTED AT

National Stock Exchange of India Limited
BSE Limited

LIST OF INSTITUTIONS

- International Finance Corporation (IFC)
- Life Insurance Corporation of India
- Micro Units Development and Refinance Agency Bank (MUDRA)
- National Bank for Agriculture and Rural Development (NABARD)
- NEC Capital Solutions Limited
- Oesterreichische Entwicklungsbank AG (OeEB)
- Proparco
- Small Industries Development Bank of India (SIDBI)

LIST OF BANKS

- Allahabad Bank(Merged with Indian Bank)
- Andhra Bank(Merged with Union Bank of India)
- Axis Bank Limited
- Bank of America N.A.
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Barclays Bank PLC
- BNP Paribas SA
- Canara Bank
- Central Bank of India
- Citibank N.A.
- Credit Suisse
- DBS Bank Limited
- Deutsche Bank AG
- Doha Bank
- Emirates NBD Bank PJSC
- FirstRand Bank Limited
- HDFC Bank Limited
- ICICI Bank Limited
- IDBI Bank Limited
- IDFC First Bank Limited
- Indian Bank
- Indian Overseas Bank
- IndusInd Bank Limited
- ING Bank, a Branch of ING-DiBa AG
- JP Morgan Chase Bank N.A.
- Karnataka Bank Limited
- KEB Hana Bank
- Kotak Mahindra Bank Limited
- Mizuho Bank Limited
- MUFG Bank
- Oriental Bank of Commerce (Merged with Punjab National Bank)
- PT Bank Rakyat (Indonesia)Persero Tbk, Singapore Branch
- Punjab & Sind Bank
- Punjab National Bank
- Qatar National Bank Q.P.S.C
- RBL Bank Limited
- Shinhan Bank
- South Indian Bank Limited
- Standard Chartered Bank
- State Bank of India
- Sumitomo Mitsui Banking Corporation
- Syndicate Bank (Merged with Canara Bank)
- The Hongkong and Shanghai Banking Corporation Limited
- The National Bank of Ras Al Khamirah
- The Zoroastrian Co-operative Bank Limited
- UCO Bank
- Union Bank of India
- United Bank of India(Merged with Punjab National Bank)
- United Overseas Bank
- Woori Bank
- Yes Bank Limited

Shriram Transport Finance Company Limited (STFC) is the flagship company of Shriram Group – a diversified group with interests in financial services viz. Commercial vehicle finance, Consumer Finance, life and general insurance, stock broking, chit funds and distribution of financial products such as life and general insurance products and units of mutual funds.

Established in 1979, STFC is an asset financing Non-Banking Finance Company.*

Headquartered in Mumbai, STFC has played a credible role in financial inclusion of millions of First Time Buyers (FTBs) and driver-turned-owner (DTO) by offering affordable finance on pre-owned commercial vehicles (CVs).

*RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to a new category "NBFC - Investment and Credit Company" vide its circular no. DNBR (PD) CC. No. 097/03.10.001/2018-19 dated February 22, 2019

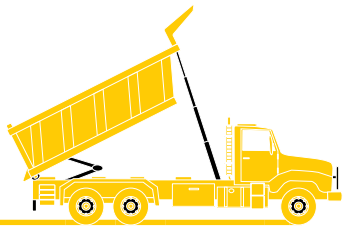
A professionally managed company, STFC has fostered the culture of entrepreneurship across all levels in the organization. Presently, the company is driven by **28,045** employees (including business team ~22,000) championing a unique "relationship-based" business model through a pan-India network comprising **1,758** branches, **831** rural centers and partnerships with ~**500** private financiers.

STFC, being a pioneer in pre-owned CV segment, has institutionalized its expertise in loan origination, valuation and collection. Over the years, STFC has created "an ecosystem of empowerment" by expanding its products and services to encompass similar asset classes (pre-owned and new commercial and passenger vehicles, tractors, 3 wheelers, multi-utility vehicles, etc.) and ancillary services (finance for working capital, engine replacement, small business finance loans, tyre-loans and fuel loans as holistic financing support).

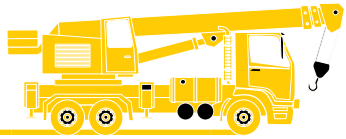
STFC is listed on the BSE Ltd (stock code: 511218) and the National Stock Exchange of India Ltd (stock code: SRTRANSFIN). Its market capitalization as on March 31, 2020 stood at **Rs. 14,770 crores**.

STANDALONE BASIS

Assets under management stands at **Rs. 109,750** crores



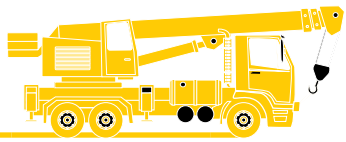
Securitisation done during the year **Rs. 16,581** crores



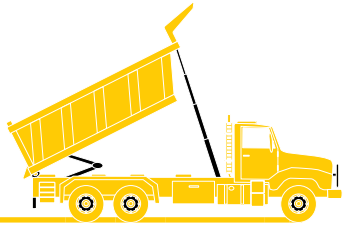
Total income for the year **Rs. 16,583** crores



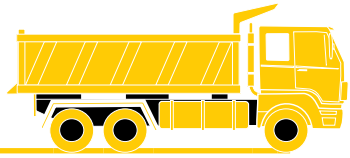
Profit after tax for the year **Rs. 2,502** crores



Net interest income for the year **Rs. 7,917** crores



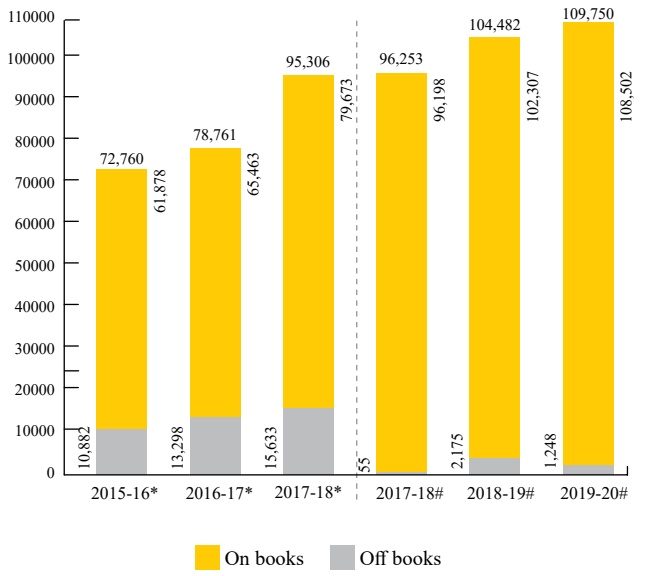
Earnings per share for the year **Rs. 110.27**



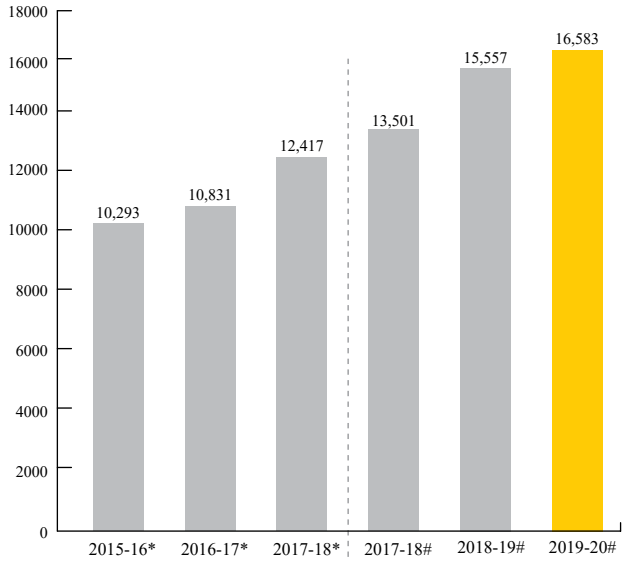
ANNUAL

PERFORMANCE TRENDS STANDALONE BASIS

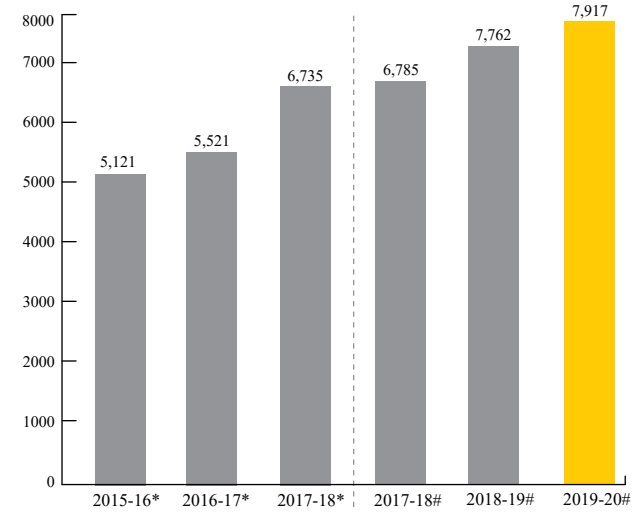
ASSETS UNDER MANAGEMENT (Rs. crores)



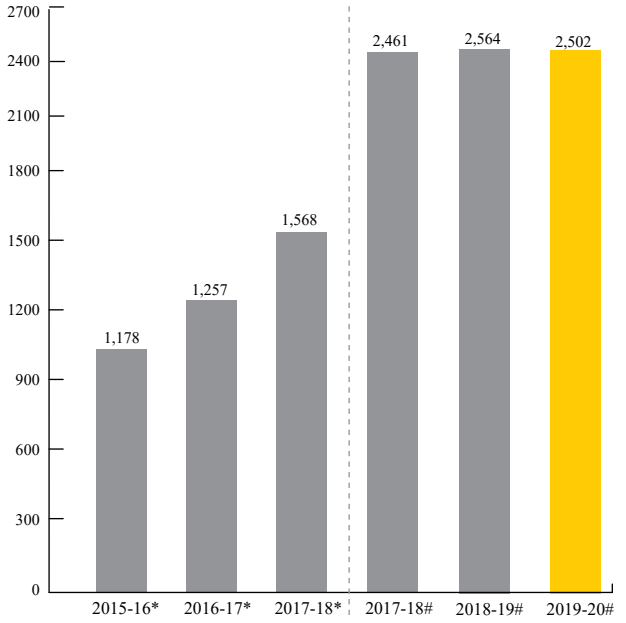
TOTAL INCOME (Rs. crores)



NET INTEREST INCOME (Rs. crores)

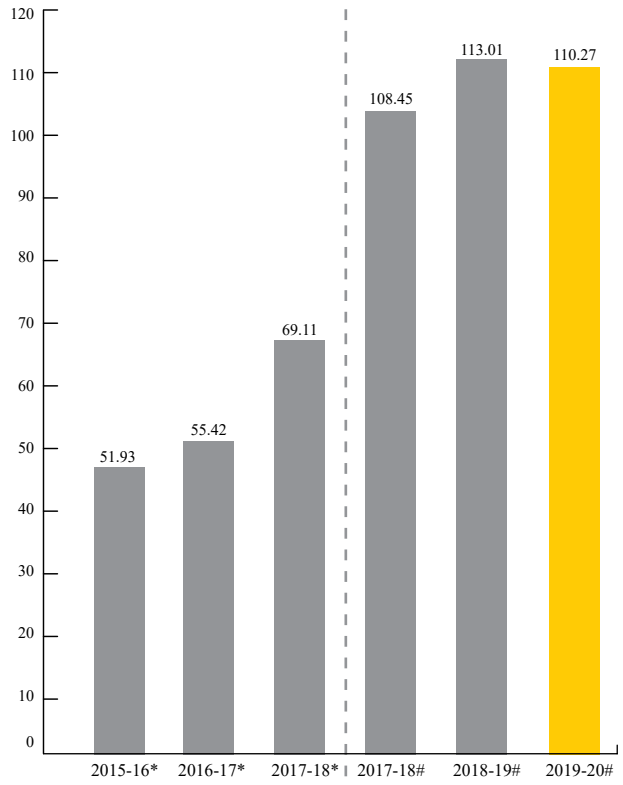


NET PROFIT (Rs. crores)

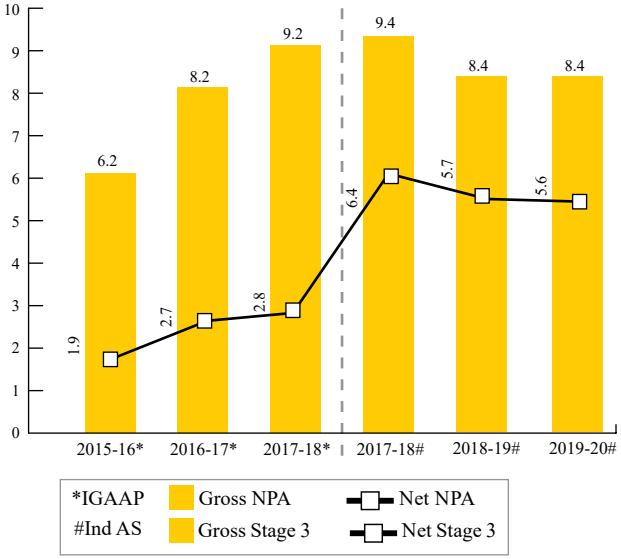


** Figures as per IGAAP. # Figures as per Ind AS.*

EPS (BASIC) (Rs.)

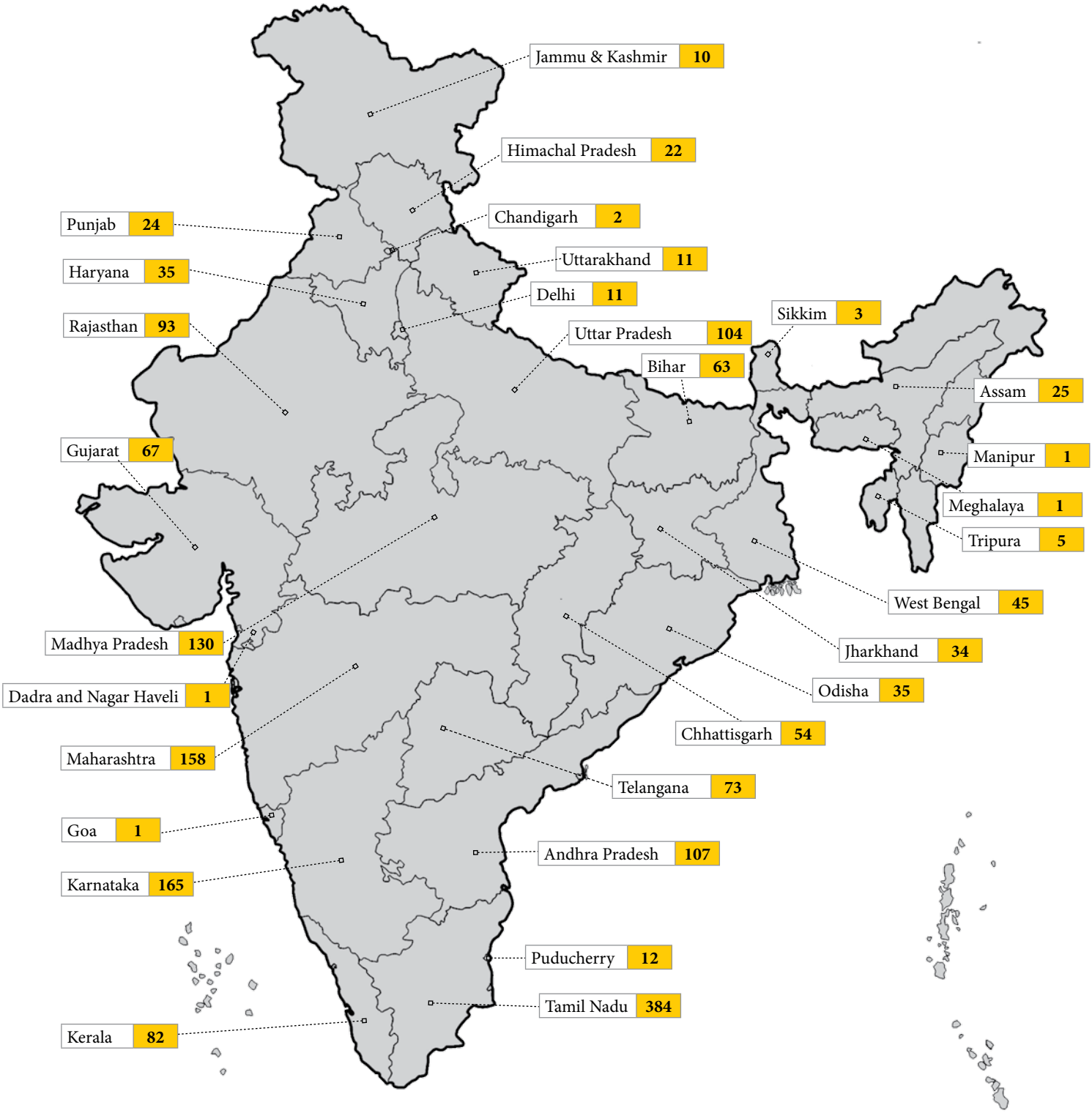


NPA/STAGE 3 (%)



** Figures as per IGAAP. # Figures as per Ind AS.*

BRANCH NETWORK AS ON MARCH 31, 2020 : 1,758 BRANCHES



List of branches with addresses is available on the Company's website at the web link:
http://www.stfc.in/branch-locator.aspx

Environmental, Social and Governance Report







At Shriram Transport Finance Company Limited (hereinafter referred to as STFC), we are committed to report henceforth, regularly updated information on our environmental, social and governance (ESG) performance. This section provides details of our ESG concerns and performance, and other useful sources of information in our Annual Report and on our website.

At STFC, since last 40 years we believe in doing business responsibly, sustainably and in line with our values. This has been a key to building a successful business in the past and over the long term. We recognise our responsibilities not only to our shareholders, customers, lenders and employees, but also to the wider communities we serve.

We provide information about the impact of our business on people and the environment, as well as on the steps we take to ensure good corporate governance.

You can find further information about how STFC does business and its broad approach to many ESG-related topics in the approach section of this report, and details on Social bonds issued by STFC in this section.

The profile of ESG investing has risen rapidly in recent years. Fund managers and small and large investors are placing an increasing emphasis on ESG issues. This reflects changing societal and consumer expectations and a growing call for businesses to play a stronger role in tackling these issues. STFC suggests that, in addition to believing that businesses should do the right thing, investors increasingly see ESG issues as a differentiating factor in the long-term performance of the companies they invest in.

The details of ESG requirements are described below in various paragraphs, as follows:

SHRIRAM WAY OF DOING BUSINESS

When Drivers become Owners: Changing the face of modern India from the perspective of Used-vehicle Finance

STFC started its journey in the year 1979. The journey started with the mission of serving the aspirations of a perceived undeserved and hence neglected common man; by providing Host of Products and Services that would be helpful to him on his path to prosperity. The aspiration of being an entrepreneur and owner brings to him and his family prosperity, social status and prestige.

STFC realised one of the most significant contradictions of credit in India. Those who needed it the most were the ones who could not access it.

The stepping stone of the organisational journey was providing finance for purchase of Pre owned trucks. STFC strongly empathises and believes that viability and liability should be in consonance with aspiration and ability. While others were not confident of providing finance for pre owned trucks because they considered it as risky; STFC built its business model by developing capabilities in team to do proper assessment of value of the pre-owned truck, financing with sufficient equity participation, collection of instalments month on month by being continuously in touch, providing time to time support and guidance for smooth running of business, management of funds and successful ownership of the income generating asset.

STFC in its 40 years of existence has been able to make its humble contribution to Society. Constant support by each and every team member of STFC has helped the customers to become a successful owner of truck and go on to add more and more trucks over years.

"Though the Business environment changes and Products also change, STFC's Relationships with Customers remain the same."

CUSTOMERS

We aim to grow in a way that puts the customer at the centre by improving performance with digital enhancements while maintaining strong controls on the risk of financial crime.

Our relationship with customers - We create value by providing products and services to our customers' need and aim to do so in a way that fits seamlessly into their lives. This helps us to build long-lasting relationships with our customers.

When it comes to relationship, collection of dues is an important aspect. Despite being an Asset Financing NBFC, with security of a commercial asset ensuring collecting of dues, we believe in creating entrepreneurship and ownership and hence we insist on customers' equity and stake at the inception of credit and support customers in prudent management of their business. We are committed and responsible towards honouring their aspiration and hence don't take hasty decision of depriving them of their income generating asset in the topsy-turvy's of their transport business. Our dedicated on-roll employees are in constant touch with the customers with the feeling of customer service and collection responsibility and they very well understand the importance of hard earned public money deployed as credit. Besides, keeping up with the pace of technological advancements and need of the hour, organisation on a continuous basis is enabling customers with various options of making payment of dues and avoid penalties of delayed payments.

We maintain trust by striving to protect our customers' data and information, and delivering fair outcomes for them. If things do go wrong, we aim to take action in a timely manner.

Operating with high standards of conduct is central to our long-term success and underpins our ability to serve our customers.

Acting on feedback - Based on feedback, we have launched a number of measures that are currently being rolled out across all of our products and business lines. For example:

Area of Focus	Action
Improving customer service	Endless efforts towards reaching out and expeditiously serving customer expectations digitally up to the satisfaction level of serving physically has been duly recognised as need of the hour. Besides, well drafted and communicated policy and procedures on Grievance Redressal Mechanism aim at assuming high standards of customer service.
Making our processes Easier	Customer Service aspect in the company surpasses hierarchical bounds and every employee of STFC is empowered to give ideas / suggestions to the management for betterment of processes and customer service, with all deserved recognition. There is an Employee Rewards Program serving this cause. STFC has always been highly compassionate and thankful in hearing from its workforce serving customers through its branch network and expeditiously acting towards their customer relationship aspects.
Enhancing customer Experience	Usage of chosen vernacular language in our communications, keeping customers updated and enthused through newsletters, technologically connected through mobile applications, etc.

EMPLOYEES

The philosophy of Relationship and Connect is reflected not only in customer service, but it is a Shriram Way of doing Business. Our Employees are our highly valued and honoured Assets and we leave no stone unturned in recognising and nurturing talents and relationships.

STFC has believed in identifying Local Talent and has built in-house facilities to Train, Nurture and Build People, and Build

Leadership for bigger responsibilities. Almost all the employees in Top Notch Roles are the ones who started their journey with the company and with trainings, continuous guidance & mentoring have reached highly respected levels in the organisation. STFC believes that to understand and connect with its customers with diversities of profiles, aspirations and languages, talents are identified locally. Further, the talents are acclimatised, groomed and nurtured by their Supervisors, Training Team, Review Panels, Seniors and Mentors. Company has built continuous Learning Platform E-Learning, Virtual Classrooms. Future Leadership Training-Talent Pool is prepared on a periodical basis based on various performance parameters and such employees are being trained at a regular interval to prepare themselves for leadership roles in future.

Shriram Transport Finance also has Management Learning Programmes within the company which enables employees to undergo Management courses and build Managerial skills. The low Attrition rate supports that the Company cares for its Employees.

STFC Training Team imparts various trainings at periodical intervals, namely Induction Training- Targeting the new employees who are inducted in to the Organization, Refresher Training-Targeting the existing employees on various products and process to upgrade on the recent changes, Future Leadership Training-Talent Pool is prepared on a periodical basis based on various performance parameters and such employees are being trained at a regular interval to prepare themselves for leadership roles In future, etc.

STFC in association with Shriram Leadership Academy has developed a customized E-Learning Platform wherein STFC's all Products and Processes are explained in a simple pictorial easy to understand format. It serves as an Orientation Platform for not only to new employees but also to existing employees.

Also through our Management Education Scheme, all employees are encouraged to enroll the program for improving their managerial skills. The program not only aims at up-skilling the team, but also gives recognition to successful candidates in form of certificates and hike of pay.

Apart from the above mentioned training programs employees are provided a ready reckoner learning materials in the form of video or PDF in their respective employee portal.

Learning materials are also shared through SMS Links and WhatsApp for quick learning.

Name of the Program	No. of Employees Covered
Induction Program	8,318
Refresher Program	3,170
E-Learning	25,927
Future Leadership Program	510
Management Education Scheme	1,295

**** for FY 2019-2020**

Besides Training, management also engages with the employees, as a continuous process, through periodical Reviews wherein key stakeholders ensure that the employee is well directed and oriented towards the desired learning and performance parameters, which ensures their confirmations, promotions, role elevations, etc.

Women Diversity in Employee Workforce:

Out of the total workforce of 5,912 employees in Support Team, Our Women representation is 1,326 which constitutes 22% of the total support team.

ENVIRONMENT

STFC after building a strong base in funding of Pre owned Trucks started providing finance to small customers for purchase of Construction Equipments, Cars & Passenger Vehicles, Farm Equipments used for Commercial purpose. To enable the customers smoothly run their business, STFC started identifying its customers having other business and providing financial support for smooth running of the other business. Thus STFC became an "END TO END SOLUTION PROVIDER" to those associated with Transport, Construction, Farming Industry.

While building on funding of Pre owned vehicles /equipments, STFC has been responsibly shifting focus towards conscious and contributory Environmental Management. A key initiative is to shift our policy, from providing finance to vehicles with age more than 15 years it moved to vehicles no older than 12 years in first phase, and now only to vehicles no older than 10 years in line with Govt of India policy for addressing the Environmental issues. Pollution Under Control (PUC) Certification & BS Norms (EURO Norms equivalent in India) compliance takes precedence in our business sourcing, prospective customer interactions and funding decisions.

In addition to our internal policy, we proactively educate drivers on the importance of environmental sustainability and the importance to obtain and renew periodically the Pollution Under Control ("PUC") certificate under India's Central Motor Vehicles Rule. The number of trainings delivered are explained in the section below. Furthermore, STFC encourages its customers to replace their old age vehicles with younger age vehicles and thus works for its contribution to Environment.

SOCIAL

STFC has been contributing to Society by its philosophy of Empowering People, be it Customers or be it Employees it believes "PEOPLE FIRST". Shriram Transport Finance has been financing First Time Users/First Time Buyers who have aspiration to become an Entrepreneur. Shriram Transport Finance has been playing pivotal role in creating Entrepreneurs in the country, provide Employment opportunities for Drivers/Helpers /Loaders /Mechanics etc. and has never ever shifted its focus from bottom of Economic Pyramid.

STFC beyond its Customers and Employees has been caring for Society by providing Training and Skilling Programs which helps the Youth to get employment, e.g. Drivers Training Programme; by providing scholarships to needy children so that they can complete their education and by providing health checkups and medicines so that the Society is healthy, educated and employed.

Besides, as a Holistic Financial Service provider STFC cares for the financial well being of the families of its customers through Insurance Coverage; worth mentioning is the presence of SLIC (Shriram Life Insurance Company) & SGIC (Shriram General Insurance Company) in Shriram Group.

CUSTOMER	LOAN	ASSET
LIFE INSURANCE – LIFE CONTINUES IN CASE OF UNFORTUNATE DEMISE OF CUSTOMER	CREDIT SHIELD – ASSET OWNERSHIP REMAINS WITH FAMILY IN CASE OF DEMISE OF CUSTOMER	COMPREHENSIVE COVER – FOR ASSET & THIRD PARTY LOSS

In line with STFC's commitment to social development, STFC has established a Social Financing Framework, which aligns STFC's capital raising strategy with positive social impact. The Framework has been reviewed by Sustainalytics who has issued a Second Party Opinion, deeming it credible and impactful, and by KPMG who has issued a limited assurance report. In January 2020, STFC issued its first USD500 million social bond. Details related to STFC's social financing can be accessed through: **https://www.stfc.in/investors/social-finance-framework/**

Augmenting livelihoods through vocational and skill trainings

Government of India under its "Skill India mission "has initiated a number of schemes to achieve this end. Since inception the Government has emphasised that this vision cannot be achieved without multi-stakeholder collaboration, the corporate sector & business houses marked as a critical contributor. STFC has contributed towards this national goal by extending trainings for the skilling, re-skilling and up-skilling of drivers.

Key focus of STFC's driver training project

- Training is given to new drivers.
- Includes training in light motor vehicles (LMVs) and heavy motor vehicles (HMVs) and stressing on Rules/regulations, Safe Driving, Health & Hygiene, environmental protection, etc.
- Jobs/placement linkages, primarily in the commercial transport industry, are provided to trained drivers.

Skill Building outreach

Year	FY 2017-2018	FY 2018-2019	FY 2019-2020
LMV	318	1028	792
HMV	390	711	777
Total number of Candidates Trained	708	1739	1569

** **3892 male candidates**

** **124 female candidates**

Preventive Health Care Program for Truckers

Securing good health and well-being through Mobile Medical Units (MMUs) – A Good Health Ecosystem building Platform for transport fraternity.

Guided by the National Health Mission's (NHM) vision of ensuring that all people in the country can access quality and affordable health services, "MMU/Clinic" provide free-of-cost medical check-ups, lab tests and medicines to truckers community, that remain largely isolated from mainstream healthcare eco systems. STFC funded MMUs/Clinic are functional across 27 locations. It aims at improving the accessibility to primary healthcare for the weaker sections of the society.

Key focus of STFC funded MMUs/Clinic

- Free primary healthcare services.
- Screening, diagnosis, treatment and referral for non-communicable, communicable diseases, and minor ailments.
- Awareness, education and counselling on healthy practices, lifestyle modifications, non-communicable disease management etc.
- A unique model of Tobacco Cessation Counselling and referrals program for trucking community.
- Multi stakeholder partnership – Transport Associations, Government and Non – Govt. agency.

	FY 2018 – 2019			FY 2019 - 2020		
	Unique Registrations	Revisits	Total	Unique Registrations	Revisits	Total
TOTAL	1,72,868	65,007	2,37,875	1,98,757	1,31,883	3,30,640

Enhancing futures through better opportunities for quality education

STFC has been making specific contributions towards the achievement of the global goal by extending scholarships to enable and augment formal education and learning for children and youth from the families of transport fraternity.

EDUCATIONAL REGULAR SCHOLARSHIP

YEAR	BELOW 8TH	8TH	9TH	10TH	11TH	12TH	TOTAL
2018-19	1,195	15,189	9,361	6,458	6,303	1,010	39,516
2019-20	-	11,825	13,981	8,856	7,583	2,378	44,623

HIGHER EDUCATION SCHOLARSHIP

DIPLOMA/ POLYTECHNIC	GRADUATION	TOTAL
248	1,473	1,721

DATA MANAGEMENT

Disclosure about Data Security and Privacy

STFC has various security controls in place to mitigate risks and safeguard the Company against security breaches and technological lapses, including established disaster recovery centres located in different seismic zones, periodic upgrading of servers and data storage, and accreditation from the International Organisation for Standardisation for our Company's information security management system.

External Auditors conducts data security audits of ISO 27001 standard, Cyber Security, Vulnerability assessment and penetration testing (VAPT) on annual basis.

Management Discussion and Analysis







INDIAN ECONOMY, COVID-19 PANDEMIC AND LOCKDOWN

The Indian economy had witnessed an average GDP growth rate of 6% over the last decade and is one of the fastest growing economies in the world.

During the year 2019-20 the agriculture sector set a new record of food grain production on account of good monsoon. As per the third advance estimates of the Ministry of Agriculture released on May 15, 2020, the agriculture and allied activities has achieved increase of 3.7 per cent in food grains production. By benefiting from the bumper harvest, the Rabi crop procurement in respect of oilseeds, pulses and wheat has been encouraging.

However, during April-February:2019-20, the industrial growth decelerated by slowdown in manufacturing activity. Services sector activity had moderated.

Overall export and imports had shrunk by 1.5% and 7.3% respectively. With imports declining more than exports, the trade deficit narrowed to USD 143.1 billion in April-February 2019-20 as compared to USD 173 billion in corresponding period of April-February 2018-19. The Current Account Deficit (CAD) narrowed to 0.2% of GDP in Q-3 2019-20 from 0.9% in Q-2 of 2019-20 and from 2.7% in Q3 of a year ago. The contraction of CAD was primarily on account of a lower trade deficit and rise in net services receipts.

Despite the weak domestic growth outlook, Indian equity markets scaled new highs, before turning highly volatile in early-March in tandem with global equity markets. The net FDI inflows at USD 37.8 billion during April-January 2019-20 were substantially higher than a year ago. Portfolio investment recorded net outflows of USD 5.2 billion during 2019-20 (up to March 25) as against USD 6.6 billion a year ago. India's foreign exchange reserves surged $3.43 billion to an all-time high of $493.48 billion for the week ended May 29, 2020 on the back of strong inflow of funds by foreign portfolio investors. In May alone, forex reserves jumped by a sharp $12.4 billion.

The Indian Rupee came under intensified and sustained depreciation pressures beginning mid-January, reflecting a generalised weakening of emerging market currencies amidst flights to safety.

The novel Corona virus outbreak originated in Wuhan province of China. The World Health Organization (WHO) declared novel Corona virus as pandemic on 11th March,2020. In anticipation of lower global demand following the outbreak of the COVID-19 pandemic ('pandemic), and its rapid geographical spread, the Brent crude oil prices crashed to USD 32 per barrel on March 9, 2020, plunged to

US$ 25 per barrel on March 18, 2020 and fell further to US$ 23 on March 30, 2020. Financial markets across the world experienced extreme volatility since January 2020 on account of outbreak of the pandemic. The global equity markets and commodity prices also fell sharply since January, 2020.

The pandemic has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. In many countries., Including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. On March 24, 2020, the Indian government announced 21 day lockdown which was further extended by 19 days and 14 days across the country to contain the spread of virus. The nationwide lock down had lasted for 68 days till 31st May, 2020. The top 6 industrialised states that account for about 60 per cent of industrial output were largely in red or orange zones. The pandemic led to collapse of demand across both urban and rural areas from March 2020. The biggest blow from the pandemic has been to private consumption, which accounts for about 60 per cent of domestic demand. In the production sectors, industrial production shrank by close to 17 per cent with manufacturing activity down by 21 per cent in March 2020. The output of core industries, which constitutes about 40 per cent of overall industrial production, contracted by 6.5 per cent. The production of consumer durables fell by 33 per cent in March 2020, accompanied by a 16 per cent decline in the output of non-durables. Similar indications are reflected in surveys of the fast moving consumer goods space. The spread of pandemic led to massive sell offs by FPIs in the Indian Equity market.

The nationwide lockdown paralysed economic and social activities and resulted into severe blow to economy. In order to strike the balance between the economic priority and to save the country from recession and large scale unemployment, the government of India took decision to progressively unwind the lockdown (Unlocking-1) with effective from June 1, 2020. The state governments are empowering to decide the scope and extent of Unlocking in a phased manner depending upon severity of the spread of the pandemic at zones classified as red, orange and green zones. No relaxation/exemptions have been given in Containment areas.

Aatma Nirbhar Bharat (Self-Reliant India)

The Indian Government, the Reserve Bank of India and other regulators have announced various measures and relaxations acknowledging the pandemic led situation to ensure that there is enough liquidity in the hands of market participants and provided moratoriums to the borrowers in terms of their repayments to the financial institutions.

The Hon'ble Finance Minister highlighted the government's vision and though to build 'Atma Nirbhar Bharat (Self-Reliant India) to spur growth in this tough time. FM announced 14 different measures including 6 for MSMEs and 2 for NBFCs. Following measures were announced for the benefit of non-banking financial companies (NBFCs), housing finance companies (HFCs) and mutual funds (MFs):

(i)The government proposed to launch Rs 30,000 crore special liquidity scheme where the government will buy investment-grade debt papers of NBFCs, HFCs, and MFIs. These securities will be fully guaranteed by the Government. These NBFCs, which do not have high quality debt papers, can now support the MSMEs dependent on them. (ii)The government proposed Rs 45,000 crore liquidity infusion through a partial guarantee scheme which will cover commercial papers and borrowings. The first 20 percent loss will be borne by Government. Double AA-rated paper and unrated papers will all be eligible.

The Tax measures announced by the Hon'ble Finance Minister include reduction in TDS and TCS rated by 25% of the existing rates aimed at releasing liquidity of Rs. 50,000 crore.

Due to pandemic the government had laid focus on relief measures including capacity built up of medical facilities to face pandemic, control its spread and saving human life, free distribution of food grains and cereals for two months for pandemic affected people, free railway travel of migrated workers.

The Budget 2000 provided a planned investment up to Rs. 2.83 lakh crore for rural economy and Rs. 1.7 lakh crore for infrastructure development. The pace of highway construction had increased from 12 km/day to 27 km/day. The Budget also abolished dividend distribution tax. In September 2019, the government announced reduction of corporate taxes.

RBI measures to face challenges of the pandemic

The RBI has announced the following relief measures to ease the stress on the financial condition of the market due to the pandemic :

- Repo rate was reduced by 75 basis points to 4.4%, from the earlier rate of 5.15%.RBI further reduced the Repo Rate to 4% on May 22, 2020;
- The reverse repo rate has been reduced by 90 basis points to 4%. RBI further reduced the reverse repo rate to 3.75% on April 17, 2020 and to 3.35% on May 22, 2020.

RBI maintained the accommodative stance of monetary policy as long as necessary to revive growth, mitigate the impact of the pandemic, while ensuring that inflation remains within the target.

The RBI announced various relaxations including (a) deferment of interest for 3 months on working capital facilities; (b) easing of working capital financing requirements by reducing margins or reassessment of working capital cycle; (c) exemption from being classified as 'defaulter' in supervisory reporting and reporting to credit information companies; (d) extension of resolution timelines for stressed assets; and (e) the group exposure limit of banks is being increased from

25 per cent to 30 per cent of eligible capital base, for enabling corporates to meet their funding requirements from banks. The increased limit will be applicable up to June 30, 2021.

(f) directed the banks and NBFCs to offer to its borrower a Moratorium of three months form 1st March,2020 to May 31,2020 for repayment of loans. Subsequently, the Moratorium period was extended up to 31st August, 2020 in view of extension of the lock down. Accordingly, the repayment schedule of the Term loans as also the residual tenor of the Term Loans have been shifted across the board by another three months after the moratorium period. The interest rate charged during the Moratorium period will be the contracted rate at which loan agreements were entered into with the borrowers. The Interest charged during the moratorium period will be collected after the revised last instalment due date based on the moratorium granted by the company. Such Interest amounts would be collected in instalments and the instalment amount will be equivalent to the current instalment amount and the last instalment will be adjusted to arrive at the present contracted rate of such loan agreements. In case of revolving working capital credit facilities in the form of Floating Business Loans, Vehicle trade advance loans to dealers and working capital loans to borrowers (fuel, toll loans etc.), the borrowers will be allowed deferment of another three months on payment of interest in respect of such facilities during the period June 1, 2020 and August 31, 2020. The accumulated interest for the period March 1,2020 to August 31, 2020 will be converted into a funded interest term loan and the said funded term loan on account of accumulated interest will be repayable by March 31,2021.

As of May 31, 2020, the Company had offered Moratorium to 94% of its borrowers. The Company communicated the information regarding the Moratorium to the borrowers through digital or electronic modes. It was noticed that in April, 2020, 23% borrowers repaid the loan instalments in part/full to save additional interest chargeable on account of moratorium. This number was increased to 48%in the month of May, 2020.

This measure shall not result in asset classification downgrade. The asset classification of term loans which are granted relief shall be determined on the basis of revised due dates and the revised repayment schedule. Similarly, working capital facilities where relief is provided, the Special mention accounts (SMA) and the out of order status shall be evaluated considering the application of accumulated interest immediately after the completion of the deferment period as well as the revised terms.

The Company has securitised/assigned its loan receivables to SPVs/Banks/institutions and the company has been appointed as servicer for collection of instalments from the borrowers and remittance of the same to SPVs/Banks/ Institutions. The Company had sought moratorium from the trusts/banks/institutions for the instalments due between March 1, 2020 and May 31, 2020 for securitised/assigned receivable and most of the trusts/banks/institutions have agreed for providing moratorium. The company will further seek consent from these Trusts/Banks/institutions for granting moratorium for the instalments falling due between June 1, 2020 and August 31, 2020 from the concerned borrowers involved in these transactions.

The Company has made provision of Rs.909.64 crore in the account for the FY 2019-20 for the pandemic led losses.

RBI took measures to augment systemic liquidity, tightened asset and liability management framework, eased flow of funds by relaxing external commercial borrowings (ECB) guidelines and strengthened governance and risk-management structures.

FINANCIAL SERVICES SECTOR

India's financial services sector comprises of commercial banks/co-operative banks, non-banking financial companies, insurance companies, pension / mutual funds and other various entities. India is expected to be fourth largest private wealth market globally by 2028.

The country's financial services sector consists of the capital markets, insurance sector and non-banking financial companies (NBFCs). India's gross national savings (GDS) as a percentage of Gross Domestic Product (GDP) stood at 30.50 per cent in 2019.

NBFC Sector

NBFC sector plays important role in financial inclusion by meeting credit needs of retail and MSME sector. The AFCs, LCs and ICs were merged into new category called 'Investment and Credit Company (NBFC-ICC). As per RBI regulations, NBFCs with minimum Net Owned Funds of Rs. 200 lakhs are allowed to operate. This resulted into reduction in number of NBFCs from 9,856 at the end of March,2019 to 9,642 NBFCs at the end of September,2019. There are 69 deposit accepting NBFC.

The credit delivery of NBFC sector constituted 18 per cent in the overall composition of total credit. It provides efficient credit distribution reach to untapped and under-penetrated regions and customer class. The primary activities of NBFCs are providing consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as bills discounting for small and medium companies and infrastructure finance, and fee based services such as investment banking and underwriting. NBFCs have carved niche business areas for them within the financial sector space and are also popular for providing customized products. For instance, your Company providing finance for re-possessed vehicles at the doorstep of the customer. NBFCs bring the much needed diversity to the financial sector.

Although the NBFC sector grew in size from Rs. 26.2 lakh crore in 2017-18 to Rs. 30.9 lakh crore in 2018-19, the pace of expansion was lower than in 2017-18 mainly due to rating

downgrades and liquidity stress in a few large NBFCs in the aftermath of the a large NBFC committing default interest payment and loan repayment obligation to banks and security holders. This slowdown was witnessed mainly in the NBFCs-ND-SI category, whereas, NBFCs- D broadly maintained their pace of growth. However, in 2019-20 (up to September) growth in balance-sheet size of NBFCs-ND-SI as well as NBFCs-D moderated due to a sharp deceleration in credit growth.

Credit extended by NBFCs continued to grow in 2018-19. Industry is the largest recipient of credit provided by the NBFC sector, followed by retail loans and services. Credit to industry and services was subdued in relation to the previous year. However, growth in retail loans continued its momentum.

Over 40 per cent of the retail portfolio of NBFCs are vehicle and auto loans. The slowdown in auto loans in 2018-19 could be attributed to a slump in aggregate demand, exacerbated by postponement of vehicle purchases in anticipation of the implementation of BS-VI norms, the sharp increase in insurance costs in case of passenger vehicles and two wheelers, and sizeable enhancement in permissible axle load for commercial vehicles. In the consumer durables segment, a decline in credit extended was observed, reflecting muted consumer demand.

NBFCs are generally well capitalised, with the system level capital to risk-weighted assets ratio (CRAR) remaining well above the stipulated norm of 15 per cent, including in 2018-19 when they experienced an increase in non-performing assets. At the end of September 2019, the sector maintained the capital position although there was a deterioration in asset quality.

The CRAR for all categories of NBFCs-ND-SI except NBFCs-MFI and IDF-NBFCs, decreased from 2017-18 levels, but it remained above the regulatory norm. For NBFCs-MFI, the CRAR improved with rising profitability. The CRAR for NBFCs-D registered a marginal improvement as growth in own funds outpaced expansion in loans and advances. At end- September 2019, CRAR of NBFCs-ND-SI and NBFCs-D remained above the stipulated norm despite divergent trends.

The default by one large NBFC has shaken the market confidence and created ripple effect over the entire NBFC sector. The crisis faced by a large prominent financial institution of the country in September led to drying-up bank lending, thereby forcing NBFCs to scout for alternate sources of funding.

In February 2019, Reserve Bank of India (RBI) had eased risk weight norms to increase credit flow to NBFCs.

The banks are now required to assign differential risk-weights to their exposures to NBFCs based on ratings assigned by credit rating agencies, as against the existing practice of a uniform risk weight of 100%.

The move is aimed at not only freeing up capital for banks for further lending but also slash borrowing costs for well-rated NBFCs, which have been grappling with a systemic liquidity crisis triggered by a series of defaults by a large prominent financial institution and its subsidiaries.

Highlights of Budget impacting NBFCs

Reduced asset size of NBFCs from Rs. 500 crore to Rs. 100 crore to become eligible for debt recovery under SARFAESI Act

NBFCs can pursue loan recovery under SARFAESI Act for loans starting at Rs. 50 lakhs which was earlier Rs. 100 lakhs.

This will help NBFCs check rise of non-performing assets ratio of NBFCs and strengthen recovery process.

Sovereign Credit Guarantee for stressed assets to help improve liquidity crunch in the system and boost credit growth, improvement in asset quality and CRAR of NBFCs.

Invoice Financing by NBFCs is expected to help MSME sector to access to credit sand working capital. This is providing new source of business to NBFCs.

FINANCIAL AND OPERATIONAL PERFORMANCE (AS PER IND AS)

(Rs. in Crores)

Sr. No.	Particulars	2019-20	2018-19
1	Total Income	16,582.63	15,556.66
2	Net Interest Income	7,916.77	7,762.04
3	Capital Adequacy Ratio	21.99%	20.27%
4	Assets Under Management	109,749.24	104,482.29
5	Securitization done during the year	16,581.13	15,123.06

During the F.Y. 2019-20,the Stage 3 Assets was 8.36% in F.Y. 2019-20 as compared to 8.37% in F.Y. 2018-19. The Stage 3 Assets net of Stage 3 Provision was 5.62 % in F.Y. 2019-20 as compared to 5.65 % in F.Y. 2018-19. There are no significant changes in key financial ratios of the Company for F.Y. 2019-20 as compared to F.Y. 2018-19. The return on equity was 14.71% as on March 31, 2020 as against 17.52 % as on March 31, 2019 due to additional expected credit loss provision of Rs 909.64 crores on account of COVID-19 impact in the financial statement.

COMMERCIAL AND PASSENGER VEHICLE INDUSTRY

The automobile industry produced a total 1,447,345 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle in March 2020, as against 2,180,203 in March 2019 with a degrowth of (-) 33.61%. The Passenger Vehicles sales was 143,014 units in March 2020, compared to 291,861 units in March 2019 marking a decrease by (-) 51%. The Commercial Vehicles sales was 13,027 units in March 2020 compared to 109,022 units in March 2019 marking a decrease by (-)88.05%. The Three-wheeler sales was 27,608 units in March 2020 compared to 66,274 units in March 2019 marking a decrease by (-) 58.34%. The Two-wheeler sales was 866,849 units in March 2020, compared to 1,440,593 units in March 2019 marking a decrease by (-) 39.83%.

The industry produced a total 26,362,284 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle in April-March 2020 as against 30,914,874 in April-March 2019 with a decline of (-)14.73%.

The Passenger Vehicles sales was 2,775,679 units in April-March 2020, compared to 3,377,389 units in April-March 2019, down by (-)17.82%. The Commercial Vehicles sales was 717,688 units in April-March 2020 compared to 1,007,311 units in April- March 2019, down by (-) 28.75%. The Three-wheeler sales was 636,569 units in April-March 2020 compared to 701,005 units in April-March 2019, down by (-) 9.19%. The Two-wheeler sales was 17,417,616 units in April-March 2020, compared to 21,179,847 units in April-March 2019, down by (-) 17.76%.

The Automobile industry witnessed one of its sharpest decline in domestic sales in March 2020 due to subdued demand and consumer sentiments which was further aggravated by the pandemic in the country.

PRE-OWNED COMMERCIAL VEHICLES

The impact of pandemic along with upcoming environmental and safety regulations (e.g. BS6), is likely to dampen the demand for new vehicles. An increasing number of buyers might choose to defer their new vehicle purchase or shift towards buying pre-owned vehicles. The pre-owned commercial vehicles segment has been the focus area for the Company ever since its inception. The pre-owned commercial vehicles are affordable to aspiring owner-cum-drivers who are small road transport operators with limited banking habits and credit history for verification of creditworthiness. The pre-owned commercial vehicles financing industry in India is dominated by private financiers in the unorganized sector. The Company intends to continue to strategically expand our marketing and customer network by entering into partnerships and co-financing arrangements with private financiers across India involved in commercial vehicle financing. As the market for commercial vehicle financing, especially pre-owned commercial vehicle financing, is fragmented, the Company believe our credit evaluation techniques, relationship-based approach, extensive branch network and strong valuation skills make our business model unique and sustainable as compared to other financiers. The Company believes that our business model is easily scalable at local levels throughout India. The Company has an established track record of developing and training recruits on our internally developed valuation techniques, substantial customer knowledge and relationship culture the Company have developed over the past four decades. The Company believes this is a key strength which enables us to provide finance to pre-owned commercial vehicle operators at favourable interest rates and repayment terms as compared to private financiers in the unorganised sector. The Company has been engaged in the initiative to corporatize the pre-owned CV financing business. We have established its leadership in the segment and created sustainable competitive advantage through deep understanding of the borrower profile and their credit behavior.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company's well-defined organizational 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 processes and systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records. The Internal Audit reports are periodically reviewed by the Audit Committee. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. The Company's Internal Auditor performed regular reviews of business processes to assess the effectiveness of internal controls. Internal Audits were carried out to review the adequacy of the internal control systems, compliance with policies and procedures.

HUMAN RESOURCES

The HR department turned the 'Lockdown' into a new opportunity promoting culture for using new methods of efficient working, striking work-life balance, switching to Work From Home (WFH), Employee Training through company's e-learning platform "Mycoach" and video based learnings were given prime importance and total of 24738 employees were trained and assessed on their learnings. During the lockdown HR Department with the help of the regional teams had engaged with the employees telephonically on various safety measures to be followed, learning options available with the company and on customer engagement. Total of 16,402 employees were covered during the lockdown. The employees, in particular working in metro cities, who

spend average 3 hours on commuting, spent same time on discharging their official duties. The 'Lockdown' gave many new learnings, ideas and experience with respect to effective communication techniques, efficient time management, thereby improving overall efficiency, cost optimization. The importance of focusing on digital payment and use of advanced techniques for customer services, effective use of Video conferencing meetings with employees, directors was also highlighted and understood during 'Lockdown' period. The Company's field employees used Mobile Application 'MNOVA' and educated the customers to use 'My Shriram' Mobile Application for availing of various services in respect of the Company's financial products. The Company is ensuring the health and well-being of employees during the pandemic and creating awareness amongst employees to strictly follow the 'Social Distancing'. Due to many of its advantages, the HR department is exploring the possibilities to progressively switching in a phased manner using the best combination of work from place and WFH for cost optimization, increasing overall efficiency and mitigating the associated risks of data safety and protection.

There was a net addition of 1,415 employees during the year 2019-20 and total strength of employees as on March 31, 2020 was 28,045. The average age of the employees is about 29 years. For further details please refer to the Business Responsibility Report.

SWOT ANALYSIS

Strengths

- Pioneer in the pre-owned commercial vehicles financing sector
- Asset Financing Company in India with Pan-India presence with 1,758 branch offices.
- Unique relationship-based business model with extensive experience and expertise in credit appraisal and collection process
- Strong brand name
- A well-defined and scalable organizational structure based on product, territory and process knowledge
- Consistent financial track record with rapid growth in AUMs
- Experienced senior management team
- Strong relationships with public, private as well as foreign banks, institutions and investors,
- 2.12 million customers across India

Weakness

- Business and growth directly linked with the GDP growth of the country
- Company's Customers-SRTOs and FTUs are more vulnerable to negative effects of economic downturn

Opportunities

- Growth in the commercial vehicles, passenger vehicles and tractors market
- Meeting working capital needs of persons in commercial vehicles eco-system
- Partnerships with private financiers for enhancement of reach without significant investments
- Penetration into rural markets for financing cargo light commercial vehicles
- On boarding customers on technology platform
- Higher budgetary allocation by the Government to give boost to infrastructure sector involving construction of roads, new airports, ports etc. creating huge demand for Commercial Vehicle
- Cross selling of insurance products, invoice discounting etc.

Threats

- Competition from captive finance companies, small banks and FinTechs
- Ad-hoc policies on phasing out of older vehicles
- Inadequate availability of bank finance and upsurge in borrowing cost
- External risks associated with liquidity stress, political uncertainties, fiscal slippage concerns, etc.

RISK MANAGEMENT

The Company is exposed to variety of risks such as credit risk, economy risk, interest rate risk, liquidity risk and cash management risk, technology risks etc. The Company has Enterprise Risk Management Framework which involves risk identification, risk assessment and risk mitigation planning for the Company. The pandemic risk was unprecedented and caused many disruptions and uncertainties globally. The Company swiftly activated the Business Continuity Plan to face challenges of pandemic. The BCP is reviewed periodically.

The Board of Directors has constituted a Risk Management Committee consisting majority of Directors. The terms of reference of the Risk Management Committee include periodical review of the risk management policy, risk management plan, implementing and monitoring of the risk management plan and mitigation of the key risks. The Risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective areas/ functions. We have taken Directors and Officers insurance policy cover to mitigate legal risks to directors and senior management.

The Company taken steps to mitigate the operations risk by use of Artificial Intelligence and Machine Learning for automated lending, customer centric approach, upskilling and re-skilling of its manpower. Our expertise in credit appraisal and collections developed over the past three decades helps mitigating credit risk. We lend on relationship based model applying advanced credit assessment procedures and maintain regular contact with customers. In order to mitigate operation risk we continuously monitor our internal processes and systems.

In order to mitigate liquidity risk, we ensure that the short term and long-term fund resources are favourably matched with deployment. We resort to long-term funding instruments and securitization. We continue to enjoy the trust and support from our investors, security holders, depositors, banks and financial institutions, due to our impeccable record in servicing its debt obligations on time.

In order to mitigate interest rate risk, we have developed innovative resource mobilization techniques. In order to mitigate liquidity risks we have diversified the source of fund raising and widened the borrowing options to exploit opportunities and appetite in the international market for bonds of reputed Indian companies. We issued U.S. Dollar senior secured notes in the international market, which are fully hedged. We have adopted prudent fund management practices.

The Company's Asset Liability Management Committee regularly reviews, among others, the interest rate and liquidity risks.

We are diversifying our assets portfolio focusing on passenger vehicles and tractors segment. We have also started financing the working capital needs of petrol pumps, tyre dealers, vehicle body builders and workshops forming part of ecosystem of commercial vehicle operations.

In order to mitigate cash management risk associated with collection of loan instalments, we have initiated steps to on boarding our customers on technology platform. Historically, substantial part of our loan recovery was in the form of cash due to peculiar profile and business pattern of our customers. We have effectively used the Digital mode during the initial lock down period and cash component of the collections has significantly dropped during last couple of months. Our loan instalment collection process is efficient and secured through a robust cash management network. We have been making continuous efforts to achieve efficient cash/cheque collection systems by availing Cash Management Service from private and public sector banks. It is not necessary for our customer to visit our branches to deposit the cash/cheque for making payment of loan instalment. The Customers can visit any of our tie-up banks and deposit money into our account against their Loan accounts.

We ensure that cash collected from our customers by the Field staff is deposited into the Company's Account on same/ next day . We have tied with Post office in few states for as a part of efficient cash management. We are also working with Fino Money, Airtel. Our Field staff is enabled with MNOVA Mobile Application in which the collections can be accounted. Some of our branches are also equipped with Cash Deposit Machines for the customers. We are educating and encouraging our customers to adopt advanced methods of payment . We have started engaging with the customers actively with Digital mode of collections using our MyShriram Mobile Application. We have enabled various modes including BBPS (Wallets) through which the customer can make the payment against his/her Loan accounts. We have also collected NACH mandates from some of the customers. The NACH mandates are sent to the Bank on respective due dates with an intimation to the customers. We have adopted stringent checks and internal controls across all branches. At the regional level, the branch collections are monitored and reconciled on a daily basis.

FUTURE STRATEGY

The Board has determined the following medium-term and long term strategies to achieve its corporate goals over a period of next 3-5 years:

- Periodical review of Business Continuity plan, liquidity management.
- To focus on digital initiatives to effectively service customers and to educate customers on the digital payment of EMIs.
- Effective use and implementation of data analytics in the process of loan disbursement and loan recovery
- Further strengthening the leadership position in financing vehicles
- Further enhancing quality of loan portfolio
- Maintaining customer loyalty through winning relationship and customer satisfaction.
- Promoting Work From Home, innovative method of working culture, employee up-skilling and re-skilling.

OUTLOOK

The damage to the global economic activity caused by the pandemic is estimated to be severe than the financial crises of the year 2008–09. With massive dislocations in global production, supply chains, trade and tourism, the global economy is projected to contract sharply (minus 3 per cent) in 2020. There is a rising probability that large parts of the global economy will slip into recession. The depth of the recession and the pace of recovery in 2021 would depend on the speed of containment of the pandemic and the efficacy of monetary

and fiscal policy actions by various countries. If the pandemic is prolonged and supply chain disruptions get accentuated, the global slowdown could deepen, with adverse implications for India.

Considerable worsening of key demand indicators are seen in the outlook for Q1 of 2020-21. Apart from the continuing resilience of agriculture and allied activities, most other sectors of the Indian economy will be adversely impacted by the pandemic. From the data published by the government on the COVID-19 infections, patient recovery, spread and deaths, perhaps, the spread and death toll of the pandemic in India would not be as severe as USA and European nations.

On June 01, 2020, Moody's Investors Service (Moody's) downgraded the Government of India's foreign-currency and local-currency long-term issuer ratings to Baa3 from Baa2. Moody's has also downgraded India's local-currency senior unsecured rating to Baa3 from Baa2, and its short-term local currency rating to P-3 from P-2.

However, a ray of hope comes from the forecast of a normal southwest monsoon in 2020 by the India Meteorological Department (IMD). According to the initial monsoon forecast of IMD, Southwest monsoon seasonal rainfall over the country as a whole is likely to be normal (96-104%). India is expected to get normal monsoon rains in the year 2020. Kharif sowing is higher by 44 per cent over last year's acreage. The good performance of agriculture sector and allied activities will support farm incomes, improve the terms of trade facing the farm sector and strengthen food security for the country.

To mitigate the economic difficulties arising out of the virus outbreak, the Government of India has announced a comprehensive package of Rs.1.70 lakh crore, covering cash transfers and food security, for vulnerable sections of society, including farmers, migrant workers, urban and rural poor, differently abled persons and women.

Significant monetary and liquidity measures taken by RBI and fiscal measures by government should mitigate adverse impact on domestic demand and help spur economic activity once normalcy is restored. It is expected that the combination of fiscal, monetary and administrative measures being currently undertaken by the government of India would create conditions for a gradual revival in activity in the second half of 2020-21. Nonetheless, downside risks to this assessment are significant and contingent upon the containment of the pandemic success of Unlocking of the Social and Economic restrictions being done in a phased manner. Given all these uncertainties, GDP growth in 2020-21 is estimated to remain in negative territory.

The Reserve Bank of India expects that the credit growth is likely to remain modest, reflecting weak demand and risk aversion. Going forward, liquidity conditions would be managed under the revised liquidity management framework, consistent with the accommodative stance of monetary policy as long as necessary to revive growth and mitigate the impact of the pandemic, while ensuring that inflation remains within the target. Better transmission of monetary policy impulses to the credit market would remain a priority of RBI.

The Company will continue focusing on financing of pre-owned commercial and passenger vehicles, further strengthening its presence, reach and penetration into rural and urban centres through large network of branches and rural centres. The Company's business model offers multiple financing opportunities. The Company will explore various options to strengthen its capital base and balance sheet to augment the long term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic.

Our Company continues to have faith in India's resilience and capacity to overcome all odds.

CAUTIONARY STATEMENT

This report contains forward-looking statements extracted from reports of Government Authorities / Bodies, Industry Associations etc. available on the public domain which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses and other factors. Actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto. The Company does not undertake to update these statements.

Directors' Report



To the Members,

Your Directors have pleasure in presenting their Forty-First Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

(Rs. in crores)

Particulars	2019-20	2018-19
Profit Before Depreciation And Taxation	3,579.72	3,821.24
Less: Depreciation, amortization and impairment	141.05	42.97
Profit Before Tax	**3,438.67**	**3,778.27**
Less: Provision for taxation	936.83	1,214.28
Profit After Tax	**2,501.84**	**2,563.99**
Add: Balance brought forward from previous year	8,070.47	6,829.82
Balance available for appropriation	10,572.31	9,393.81
Appropriations		
General reserve	250.19	257.00
Statutory reserve	500.38	514.00
Debenture redemption reserve	235.79	251.47
Dividend on equity shares of Rs.10/- each	272.26	249.57
Tax on dividend	55.96	51.30
Balance carried to Balance Sheet	**9,257.73**	**8,070.47**

NOVEL CORONA VIRUS PANDEMIC

On 11th March, 2020, the World health Organization (WHO) declared the novel Corona virus as pandemic. The Company swiftly activated the Business Continuity Plan (BCP) to take effective measures to face disruptions due to the outbreak of novel Corona virus pandemic in India. As per the assessment of a Credit Rating Agency, the pandemic has created increasing macro-economic challenges and disruptions on the business activities of NBFCs leading to operational constraints. In the last week of March,2020The Credit Rating Agency downgraded the ratings of some listed NBFCs and some instruments issued by the NBFCs including our Company. This was followed by other Rating Agencies revising the credit rating to negative outlook and rating watch negative. The credit rating position of the Company as on date is as follows:

Credit Rating Agency	Instrument	Ratings
CRISIL	Bank Loan Long Term	CRISIL AA+/Negative
	Bank Loan Short Term	CRISIL A1+
	Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA+r/Negative
	Non-Convertible Debentures	CRISIL AA+/ Negative
	Subordinated Debt	CRISIL AA+/Negative
	Short Term Debt	CRISIL A1+
	Fixed Deposit	CRISIL FAAA/Negative
India Ratings & Research Private Limited	Non-Convertible Debentures	IND AA+/ Rating Watch Negative (RWN)
	Subordinated Debt	IND AA+/RWN
	Commercial Paper	IND A1+
CARE	Non-Convertible Debentures	CARE AA+/Stable
	Subordinated Debt	CARE AA+/Stable
	Commercial Paper	CARE A1+
ICRA	Fixed Deposit	MAA+ with Stable
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB/ Negative Outlook
	Short-Term Issuer Credit Rating	B
	Senior Secured Notes	BB
Fitch Ratings	Long-Term Issuer Default Rating	BB Rating Watch Negative
	Short-Term Issuer Default Rating	B
	Senior unsecured Long Term Rating	BB Rating Watch Negative
	Senior secured Long Term Rating	BB Rating Watch Negative
	Local Currency Long Term Issuer Default Rating	BB Rating Watch Negative

The detailed discussion in this regard is covered under the Management and Discussions Report forming part of this report.

DIVIDEND

Your Directors at their meeting held on October 24, 2019 declared interim dividend of Rs. 5/- per equity share (i.e. 50%) for the financial year 2019-20. The interim dividend was paid on November 19, 2019 and involved a cash outflow of Rs. 136.76 crores including tax on dividend. In order to conserve cash resources to face the challenges and the contingencies created by Corona virus pandemic, the Board of Directors have not recommended the final dividend. As such, the interim dividend shall be the final dividend for the financial year 2019-20.

The Dividend Distribution Policy forms part of the Corporate Governance Report and is also available on the website of the Company at **https://bit.ly/2WzNefE**

TRANSFER TO RESERVES

The amounts proposed to be transferred to General Reserve, Statutory Reserve and Debenture Redemption Reserve are mentioned in the Financial Highlights under the heading 'Appropriations'.

CAPITAL ADEQUACY RATIO

Your Company's total Capital Adequacy Ratio (CAR), as of March 31, 2020, stood at 21.99% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is above the regulatory minimum of 15%.

OPERATIONS AND COMPANY'S PERFORMANCE

For the financial year ended March 31, 2020, your Company earned Profit Before Tax of Rs.3,438.67 crores as against Rs.3,778.27 crores in the previous financial year and the Profit After Tax of Rs.2,501.84 crores as against Rs.2,563.99 crores in the previous financial year. The total income for the year under consideration was Rs.16,582.63 crores and total expenditure was Rs.13,143.96 crores.

Mobilization of funds from following sources/instruments was as under:

(Rs. in crores)

Sr. No.	Particulars	2019-20	2018-19
1	Non-Convertible Debentures – Institution	2,960.30	915.00
2	Subordinated Debts – Institutional	-	2,360.00
3	Term Loans from Banks – Secured	19,121.64	13,507.30
4	Term Loans from Financial Institutions/ corporates – Secured	-	1,569.00
5	Commercial Papers	4,130.00	24,820.00
6	Fixed Deposit	4,226.21	4,956.10
7	Inter Corporate Deposits	207.40	50.00
8	Non-Convertible Debentures Institution- Unsecured	-	500.00
9	Non-Convertible Debentures Public Issue- Secured	533.61	4,792.63
10	External Commercial Borrowings (Loan)	1,636.10	2,402.33
11	U.S. Dollar Senior Secured Notes	5,202.13	2,849.90
12	Social Bonds (U.S. Dollar Senior Secured Notes)	3,542.50	-
13	Cash Credit	784.00	-

The total Assets Under Management had increased to Rs.109,749.24 crores from Rs.104,482.29 crores. During 2019-20, the Company securitized its assets worth Rs. 16,581.13 crores (accounting for 15.11 % of the total assets under management as on March 31, 2020) as against Rs. 15,123.06 crores during 2018-19. With securitisation, the Company ensures better borrowing profile, leading to lower interest liability owing to its lending to priority sector as per RBI. The outstanding direct assigned portfolio stood at Rs. 1,247.53 crores as on March 31, 2020.

The Company continued its focus on financing of pre-owned commercial vehicles. The relationship based business model enabled us to maintain the leadership position in the pre-owned commercial vehicles financing segment. For further market penetration, the Company opened 213 new Branches and other offices. With this the total number of Branch and other offices across India has now increased to 1,758.

ISSUE OF SECURITIES

Share Capital

The paid up Equity Share Capital of the Company stood at Rs.226.88 crores consisting of 226,882,736 fully paid-up shares of face value of Rs.10/- each as on March 31, 2020. It is recalled that the shareholders in the 40th Annual General Meeting held on June 27, 2019 approved cancellation of the 48,000 forfeited shares in respect of which the allotment money was not paid by some of the shareholders. Accordingly, the said 48,000 shares stood diminished from the issued and subscribed share capital of the Company and Rs.2,40,000/- paid towards application money in respect of the forfeited shares was transferred from the forfeited shares account to capital reserve as per the applicable Indian accounting standards and provisions of the Companies Act, 2013.

Public Issue of Non-convertible Debentures

During the year under review, the Company through Shelf Prospectus dated July 09, 2019 offered 10,00,00,000 Secured Redeemable Non-Convertible Debentures (NCDs) of face value of Rs. 1,000 each to the Public for an amount aggregating up to Rs.10,000 crores pursuant to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended.

The Company under the Shelf Prospectus and two Tranche Prospectuses issued and allotted 5,336,070 NCDs aggregating to Rs.533.61 crores. The fund utilization was as per the objects of the Public Issue of NCDs. The said NCDs are listed on the National Stock Exchange of India Limited and BSE Limited.

Issue of U.S. Dollar Senior Secured Notes/ Social Bonds

On April 24, 2019, the Company issued 5.950 percent Senior Secured Notes due 2022 aggregating to USD 500 Million to the Qualified Institutional Buyers (QIBs) under the Rule 144A and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933. Further on July 17, 2019, the Company issued Senior Secured Notes aggregating to USD 250 Million to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933. These notes were issued under the USD 2 Billion Global Medium Term Note Programme (GMTN Programme).The proceeds of Senior Secured Notes have been utilized for onward lending and other activities as permitted by the ECB Directions.

Having regard to the opportunities and appetite for the bonds of the reputed Indian companies in the international market, the Company further updated and upsized from USD 2 Billion Global Medium Term Note Programme to USD 3 Billion Global Medium Term Note Programme on December 27, 2019.

Social Finance Framework for issuance of Social Bonds was set up by the Company. On January 16, 2020, the Company issued 5.100 percent Senior Secured Notes (Social Bonds) aggregating to USD 500 Million under the USD 3 Billion Global Medium Term Note Programme (GMTN Programme) to the Qualified Institutional Buyers (QIBs) under the Rule 144A of the U.S. Securities Act 1933 and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933.The Social Bonds got overwhelming response from investors with the final order book in excess of USD 2.20 billion and oversubscription of >4x. The order book received interest and demand from marquee Social Bond Investors.

The net proceeds from the issue of Social Bonds have been utilized by the Company to finance investments in Eligible Social Projects in accordance with International Capital Market Association Social Bond Principles 2018 as permitted by the ECB Guidelines.

The said Senior Secured Notes/Social Bonds are listed on the Singapore Exchange Securities Trading Limited. All Senior Secured Notes/Social Bonds issued under the U.S.$ 3,000,000,000 GMTN Programme are fully hedged and would not involve any foreign exchange risk to the Company.

FIXED DEPOSITS

As on March 31, 2020, there were 12,116 fixed deposits aggregating to Rs.150.02 crores that have matured but remained unclaimed. There were no deposits, which were claimed but not paid by the Company. The unclaimed deposits have since reduced to 5,796 deposits amounting to Rs.56.40 crores. Appropriate steps are being taken continuously to obtain the depositors' instructions so as to ensure renewal/ repayment of the matured deposits in time.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment of Directors

The Board of Directors in its meeting held on May 08, 2019 appointed Mr. Ignatius Michael Viljoen as a director of the Company in the category of non-executive non-independent director in a casual vacancy caused by the resignation of Mr. Gerrit Lodewyk Van Heerde (DIN 06870337), non-executive non-independent director of the Company with effect from May 14, 2019.The shareholders in its 40th Annual General Meeting held on June 27, 2019 passed necessary resolution for his appointment as a Director in the category of non-executive non-independent director.

Retirement of director by rotation

Mr. Puneet Bhatia (DIN 00143973), non-executive non–independent director of the Company will retire by rotation at the ensuing 41st Annual General Meeting (AGM) and being eligible, offers himself for re-appointment. His re-appointment at the AGM will be in the interest of the Company. The Nomination and Remuneration Committee and the Board considered that the re-appointment of Mr. Puneet Bhatia is in the interest of the Company and have recommended his re-appointment in view of financial acumen and expertise of Mr. Puneet Bhatia.

There was no change (appointment/resignation) in the Key Managerial Personnel namely, Managing Director & CEO, the Chief Financial Officer and the Company Secretary of the Company during the financial year.

Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the

circumstances affecting their status as independent directors of the Company.

Policies on appointment of Directors and Remuneration

Your Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance and has adopted a Policy on Board Diversity formulated by the Nomination and Remuneration Committee. The Company's Remuneration Policy has laid down a framework for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. These Policies are available on the Company's website at the weblink: **https://bit.ly/32twQkM** and **https://bit.ly/2DQlAVb** The Nomination and Remuneration Committee also takes into account the fit and proper criteria for appointment of directors as stipulated by Reserve Bank of India. The Company has also formulated policy on Succession Planning for Directors and Key Managerial Personnel for continuity and smooth functioning of the Company.

Number of Meetings of the Board

Six Board Meetings were held during the financial year. The details of the Board and various Committee meetings are given in the Corporate Governance Report.

Performance evaluation at Board and independent directors meetings

The Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various Committees for the financial year 2019-20. The policy on performance evaluation of the Directors, the Board and its Committees is available on the Company's website at the weblink: https://cdn.stfc.in/common/Policy_On_Performance_Evaluation.pdf The evaluation was conducted on the basis of a structured questionnaire which comprises performance criteria such as performance of duties and obligations, independence of judgement, level of engagement and participation, attendance of directors, their contribution in enhancing the Board's overall effectiveness, etc. The Board has expressed their satisfaction with the evaluation process. The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the management agreed on various action points to be implemented in subsequent meetings.

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

The independent directors met on February 03, 2020 without the presence of other directors or members of Management. All the independent directors were present at the meeting. In the meeting, the independent directors reviewed performance of Non–Independent Directors, the Board as a whole and Chairman. They assessed the quality, quantity and timelines of flow of information between the Company Management and the Board. The minutes of the independent directors was placed before the Board and the Board took note of the same.

The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non-Independent Directors and the Chairman. They also expressed satisfaction with regard to the flow of information between the company management and the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Directors confirm that, to the best of their knowledge and belief:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) That such accounting policies as mentioned in note 6 to the financial statements have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;

c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts have been prepared on a going concern basis.

e) The Company had followed the internal financial controls laid down by the directors and that such internal financial controls are adequate and were operating effectively.

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

RBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India from time to time.

BUSINESS RESPONSIBILITY REPORT

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our Company contributed Rs.5 crore to the Prime Minister's Citizen Assistance and Relief Emergency Situations Fund (PM CARES Fund). The CSR Report for the Financial Year 2019-20 is annexed to this report as **Annexure-I**. The composition of CSR Committee and the details of the ongoing CSR projects/ programs/activities are included in the CSR report/section. The CSR Policy is uploaded on the Company's website at the web link: **https://bit.ly/2CO7Qty**

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Act, the extract of the annual return in form MGT-9 is annexed as **Annexure – II**. The same is also available on the website of the company at the web link: **https://www.stfc.in/investors/annual-reports/**

DISCLOSURES AS PER THE SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

Conservation of Energy, Technical Absorption and Foreign Exchange Earnings and Outgo

The information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is as follows:

a. The Company has no activity involving conservation of energy or technology absorption.

b. The Company does not have any Foreign Exchange Earnings.

c. Outgo under Foreign Exchange – Rs. 148.09 crores.

Loans, guarantee or investments in securities

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

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

Contracts or Arrangements with Related Parties

All the related party transactions were entered in ordinary course of business on an arm's length basis. Hence, no disclosure in Form AOC-2 are necessary and the same does not form part of this report. For details of the transactions with related party entered in ordinary course of business on an arm's length basis refer to the Note 50 to the financial statements.

As required under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is uploaded on the Company's website at the web link: **https://bit.ly/3jkFvMn**

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission to Independent Directors.

Risk Management

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

Whistle Blower Policy/ Vigil Mechanism

The Company's Whistle Blower policy provides a mechanism under which an employee/director of the Company may report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website: **https://bit.ly/3eH0jde**

Financial summary/highlights

The details are spread over in the Annual Report as well as are provided in the beginning of this report.

Subsidiaries, joint ventures or associate companies

There were no entity(ies) which became or ceased to be subsidiaries, joint ventures or associate companies of the

Company during the financial year ended March 31, 2020. Shriram Automall India Limited (SAMIL), Associate of the Company provides fee-based facilitation services for the sale of pre-owned commercial and passenger vehicles, agricultural and construction equipment, dealer's stock of pre-owned two wheelers, etc. repossessed by banks and financing companies. SAMIL has 86 Automalls located across the Country. For the year ended March 31, 2020, SAMIL's total income from operations was Rs.187.99 crores as against Rs.164.12 crores in the previous year 2018-19 and the Net Profit of Rs.23.41 crores as against net profit of Rs.26.23 crores in the previous year 2018-19.

Internal Financial Control System

The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies.

The internal financial control is supplemented by extensive internal audits, 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 internal audit reports given along with management comments. The Audit Committee also monitors the implemented suggestions.

Composition of Audit Committee

The Audit Committee comprised of following directors namely, Mr. S. Sridhar – Chairman, Mrs. Kishori Udeshi, Mr. Pradeep Kumar Panja and Mr. Puneet Bhatia.

Others

- The material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of the Directors' report – The impact of pandemic has been dealt with in this report under separate head and also in the Management Discussion and Analysis annexed to the Annual Report.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future. For other orders, please refer to Note 49 of the financial statement containing details of the contingent liabilities.
- No equity shares were issued with differential rights as to dividend, voting or otherwise.
- No equity shares (including sweat equity shares) were issued to employees of the company, under any scheme.
- The Company has not resorted to any buy back of its equity shares during the year under review.
- There was no change in the nature of business of the Company.
- There was no fraud reported by the Auditors of the Company under the Section 143(12) of the Act to the Audit Committee.
- Your Company has constituted IT Strategy committee and the committee has approved IT Strategy policy, Cyber Security and Crisis Management Policy and documents to mitigate the Company's exposure towards IT risks. The Company is prepared to face emerging cyber threats such as Zero-day attacks, remote access threats and targeted threats and contains (i) Detection (ii) Response (iii) Recovery and (iv) Containment plan. Your Company has various security controls in place to mitigate risks and safeguard the Company against security breaches and technological lapses, including established disaster recovery centres located in different seismic zones, periodic upgrading of servers and data storage, accreditation from the International Organisation for Standardisation for your Company's information security management system. External Auditors conducted data security audits of ISO 27001 standard, Cyber Security, Vulnerability assessment and penetration testing (VAPT) on annual basis. The detailed terms of reference of the IT Strategy committee are given in the Corporate Governance Report forming part of the Annual Report.
- The Company has a policy for prevention of Sexual Harassment for Women at Workplace. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('the said Act'). During the year under review, there was one case filed under the said Act.
- Disclosure regarding details relating to deposits covered under Chapter V of the Act is not applicable since our company is a Non-Banking Financial Company regulated by Reserve Bank of India. The Company accepts deposits as per Master Direction - non-banking financial companies acceptance of public deposits (Reserve Bank) Directions, 2016.

- The Company has obtained a certificate from the statutory auditor certifying that the Company has complied with the requirements of the Regulation 9 of the Master Direction – Foreign Investment in India with regard to downstream investments.
- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, Annual General Meetings and Dividend.
- The Company has complied with and obtained a certificate from the statutory auditor certifying that the Company has complied with the requirements of the Regulation 9 of the Master Direction – Foreign Investment in India with regard to downstream investments.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129 read with Rule 5 to the Companies (Accounts) Rules, 2014, Statement containing salient features of the financial statement of associate company (Form AOC 1) and a statement on consolidated financial position of the Company with that of the SAMIL, an associate of the Company is attached to the Annual Report. The consolidated financial statements attached to this Annual Report are prepared in compliance with the applicable Indian Accounting Standards and Listing Regulations. The annual report and the annual accounts of SAMIL and the related detailed information shall be made available to members of the Company seeking such information. The annual accounts of SAMIL are available on the website of the Company viz. https://www.stfc.in/annual-reports.aspx

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of SAMIL, are available on the website of the Company **www.stfc.in.**

PARTICULARS OF EMPLOYEES

The Company has not employed any individual except the Managing Director & CEO whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Act, read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Disclosure required as under Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure-III**.

AUDITORS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W/W100048) and M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E) had been appointed as joint Auditors of the Company at the 38th AGM held on June 29, 2017 to hold office from the conclusion of the 38th AGM until the conclusion of the 43rd AGM of the Company. The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of auditor by the shareholders at every Annual General Meeting with effect from May 07, 2018. Hence, the approval of the members is not being sought for the re-appointment of the joint Auditors in line with the resolution passed for their appointment at the 38th AGM held on June 29, 2017. The joint Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of the Company. They have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations. Approval of the members is being sought for fixation of remuneration of joint Auditors of the Company for the financial year 2020-21.

The Auditors' Report to the members for the year under review does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT

Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2019-20 issued by Mr. P. Sriram, Practicing Company Secretary (Certificate of Practice No.3310) (Membership No. FCS 4862) is annexed to this report as **Annexure-IV**. The report does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE

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

- the Report on Corporate Governance;
- the Certificate duly signed by the Managing Director & CEO and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2020 as submitted to the Board of Directors at their meeting held on June 10, 2020 ;
- the declaration by the Managing Director & CEO regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct ; and
- the Management Discussion & Analysis Report

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

AWARDS

Your Company has been awarded by BSE Limited as Outstanding Performer on BSEBOND Platform under the Issuer category. Your Company has been actively participating in the Corporate Bond Market and has been mobilizing long term resources by issuing NCDs and getting them listed on the esteemed stock exchange.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

S. Lakshminarayanan
Chairman
(DIN: 02808698)

New Delhi
June 10, 2020

ANNEXURE - I

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2019-2020

1. A brief outline of the Company's CSR policy,including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

   The object of CSR Policy of the Company is to continue to contribute towards social welfare projects focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014('the Rules').The Company's CSR policy is available on website of the company **https://bit.ly/2CO7Qty**

   The details of the CSR activities undertaken can be accessed **https://www.stfc.in/investors/annual-reports/**

2. The Composition of the CSR Committee:

Name of the Member	Category
Mr. Umesh Revankar - Chairman	Managing Director & CEO
Mr. S. Lakshminarayanan	Non Executive-Independent Director
Mrs. Kishori Udeshi	Non Executive-Independent Director
Mr. Puneet Bhatia	Non Executive-Non-Independent Director
Mr. Pradeep Kumar Panja	Non Executive-Independent Director

3. Average net profit of the company for last three financial years:- Rs. 2,641.08 crores
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 52.82 crores
5. Details of CSR spent during the financial year 2019-2020
   (a) Total amount spent in the financial year:- Rs. 53.16 crores
   (b) Amount unspent, if any:-Nil
   (c) Manner in which the amount spent during the financial year is detailed below :-

(Rs. in crores)

Sr. No	Nature of Project	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs Wise	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1	Ongoing Project	**Education**						
	Ongoing Project	Scholarship Scheme	Education	Across India	17.00	19.88	19.88	Direct/ Implementing Agency
	Ongoing Project	Chennai Mathematical Institute	Education	Chennai	5.00	5.00	5.00	Direct
2	Ongoing Project	**Training & Skill Development**						

ANNEXURE - I

(Contd.)

(Rs. in crores)

Sr. No	Nature of Project	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs Wise	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
	Ongoing Project	Drivers' training	Training and skill development	Maharashtra, Tamil Nadu, Odisha, Madyapradesh and Gujarat	10.00	5.51	5.51	Implementing Agency
3	Ongoing Project	**Preventive Health Care**						
	Ongoing Project	Mobile Medical Unit & Health Clinic	Preventive Health Care	Karnataka, Odisha, TamilNadu, Rajasthan, Maharashtra, Telangana, Andhra Pradesh, West Bengal, Bihar, Uttar Pradesh, Assam Jharkhand and Punjab.	10.00	10.81	10.81	Implementing Agency
	Ongoing Project	Blood Donation activity	Preventive Health Care	Mumbai	1.00	0.20	0.20	Implementing Agency
	Other Project	Contribution to PM Cares Fund (COVID - 19) Pandemic	Preventive Health Care	Across India	-	5.00	5.00	Direct
4	Ongoing Project	**Promotion & development of traditional arts**						
	Ongoing Project	South India Club for Art and Culture	Preservation of art,culture and heritage	New Delhi	6.00	4.00	4.00	Direct
	Other project	Promotion of art & culture	Preservation of art,culture and heritage	Mumbai and Bangalore	-	0.37	0.37	Direct
5	Other project	**Sanitation**						
	Other project	Swachh Bharat	Sanitation	Tamil Nadu	1.00	0.01	0.01	Direct
6	Other project	**Protection of flora and fauna**						
	Other project	Protection of flora and fauna	Tree plantation & Programme	Chennai	1.00	0.04	0.04	Direct
7	Other project	**Creating Awareness about health hazards,road safety etc.**						

ANNEXURE - I

(Contd.)

(Rs. in crores)

Sr. No	Nature of Project	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs Wise	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
	Other project	Truckers Welfare	Creating Awareness about health hazards,road safety etc.	Andhra Pradesh and Tamil Nadu	1.00	0.67	0.67	Implementing Agency
8	Other project	Miscellaneous expenses	Food supply,meditation & yoga sessions etc.	Maharashtra and Kerala	-	0.70	0.70	Direct
		Total			**52.00**	**52.19**	**52.19**	
		Overhead expenses			0.82	0.97	0.97	
		Grand Total			**52.82**	**53.16**	**53.16**	

*Shriram Foundation, Buddy4study,Collective Good Foundation, Terna Public Chartable Trust, Indian Red Cross Society, Piramal Swasthya Management and Research Institute were implementing agencies involved in the above projects.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report :

   Not Applicable since the Company has spent Rs.53.16 crores during the financial year 2019 -2020 as against the prescribed CSR expenditure of Rs.52.82 crores as per item 4 of this report.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company :

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors
Umesh Revankar
Managing Director & CEO
(Chairman, CSR Committee)
(DIN :00141189)

Mumbai
June 10, 2020

ANNEXURE - II

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1.	**REGISTRATION AND OTHER DETAILS**	
	a. CIN	L65191TN1979PLC007874
	b. Registration Date	June 30, 1979
	c. Name of the Company	Shriram Transport Finance Company Limited
	d. Category/Sub-Category of the Company	Non-Banking Financial Company
	e. Address of the Registered office and contact details	Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu – 600004,Telephone No.: 044-24990356, Fax: 044 2499 3272
	f. Whether listed company Yes / No	Yes (BSE Limited and National Stock Exchange of India Limited)
	g. Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600017, Telephone No.: 044-28140801 to 28140803, Fax : 044-28142479
2.	**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**	
	All the business activities contributing 10 % or more of the total turnover of the company	As per Attachment (I)
3.	**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**	As per Attachment(II)
4.	**SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**	
	a. Category-wise Share Holding	As per Attachment (III)
	b. Shareholding of Promoters' and Promoter Groups'	As per Attachment (IV)
	c. Change in Promoters' and Promoter Groups' Shareholding (please specify, if there is no change)	As per Attachment (V)
	d. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment (VI)
	e. Shareholding of Directors and Key Managerial Personnel	As per Attachment (VII)
5.	**INDEBTEDNESS**	
	Indebtedness of the Company including interest outstanding/ accrued but not due for payment	As per Attachment (VIII)
6.	**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**	
	a. Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment (IX)
	b. Remuneration to Other Directors	As per Attachment (X)
	c. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD	As per Attachment (XI)
7.	**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**	As per Attachment (XII)

ANNEXURE - II

(Contd.)

ATTACHMENT (I)

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company are given below:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Finance for commercial vehicles and other loans	64920 Other credit granting	**96.38%**

ATTACHMENT (II)

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	No. of shares held (%)	Applicable section
1	Shriram Automall India Limited	Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu, India - 600004	U50100TN2010PLC074572	Associate Company	44.56%	2(6)

ATTACHMENT (III)

4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

a) Category-wise Share Holding

Category of Shareholder				No. of shares held at the beginning of the year (01/04/2019)				No. of shares held at the end of the year (31/03/2020)				% Change during the year
				Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	PROMOTERS			0	0	0	0	0	0	0	0	0
	1	Indian		0	0	0	0	0	0	0	0	0
		A	Individual/HUF	0	0	0	0	0	0	0	0	0
		B	Central Government	0	0	0	0	0	0	0	0	0
		C	State Governments	0	0	0	0	0	0	0	0	0
		D	Bodies Corporate	59,173,023	0	59,173,023	26.08	59,554,984	0	59,554,984	26.25	0.17
		E	Banks / Fis	0	0	0	0	0	0	0	0	0
		F	Any other (Specify)	0	0	0	0	0	0	0	0	0
	Sub Total A(1)			**59,173,023**	**0**	**59,173,023**	**26.08**	**59,554,984**	**0**	**59,554,984**	**26.25**	**0.17**
	2	Foreign		0	0	0	0	0	0	0	0	0
		A	NRI – Individuals	0	0	0	0	0	0	0	0	0
		B	Other – Individuals	0	0	0	0	0	0	0	0	0
		C	Bodies Corporate	0	0	0	0	0	0	0	0	0
		E	Banks / Fis	0	0	0	0	0	0	0	0	0
		E	Any other (Specify)	0	0	0	0	0	0	0	0	0
			Sub Total A(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total shareholding of Promoter (A)= (A)(1) +(A)(2)			**59,173,023**	**0**	**59,173,023**	**26.08**	**59,554,984**	**0**	**59,554,984**	**26.25**	**0.17**
B	Public Shareholding											
	1	Institutions										
		A	Mutual Funds	7,865,154	28,195	7,893,349	3.48	3,943,036	28,195	3,971,231	1.75	(1.73)
		B	Financial Institutions / Banks	931,932	210	932,142	0.41	514,773	210	514,983	0.23	(0.18)
		C	Central Government	0	0	0	0	0	0	0	0	0

Category of Shareholder				No. of shares held at the beginning of the year (01/04/2019)				No. of shares held at the end of the year (31/03/2020)				% Change during the year
				Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
		D	State Governments	0	0	0	0	0	0	0	0	0
		E	Venture capital Funds	0	0	0	0	0	0	0	0	0
		F	Insurance Companies	0	0	0	0	1,420,553	0	1,420,553	0.63	0.63
		G	FIIs	5,632	0	5,632	0.00	0	0	0	0	0
		H	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
		I	Any other (Specify) Foreign Portfolio Investor	115,573,094	0	115,573,094	50.94	146,693,422	0	146,693,422	64.66	13.72
			Alternate Investment Fund	0	0	0	0	221,650	0	221,650	0.10	0.10
	Sub Total B(1)			**124,375,812**	**28,405**	**124,404,217**	**54.83**	**152,793,434**	**28,405**	**152,821,839**	**67.36**	**12.53**
	2	**Non-Institutions**										
		A	Bodies Corporate									
		(i)	Indian	25,097,529	24,446	25,121,975	11.07	632,850	24,446	657,296	0.29	(10.78)
		(ii)	Overseas	0	0	0	0	0	0	0	0	0
		B	Individuals									
		(i)	Individual Shareholders holding Nominal Share Capital upto Rs.1 Lakh	7416065	2740742	10156807	4.48	7112982	2398083	9511065	4.19	(0.28)
		(ii)	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lakh	2772164	23550	2795714	1.23	1543267	23550	1566817	0.69	(0.54)
		C	Any other -Clearing Members	854,344	0	854,344	0.38	979,601	0	979,601	0.43	0.05
			-Trusts	349,352	0	349,352	0.15	398,221	0	398,221	0.18	0.03
			-NRI	331,986	4,500	336,486	0.15	300,741	4,500	305,241	0.13	(0.02)
			- Limited Liability partner ship	61,831	0	61,831	0.03	44,934	0	44,934	0.02	(0.01)
			- Foreign Portfolio Investor Category 3	2,311,978	0	2,311,978	1.02	0	0	0	0	0
			- NBFC	307,909	0	307,909	0.14	110	0	110	0.00	(0.14)
			- Unclaimed Securities Suspense A/c	88,570	0	88,570	0.04	76,690	0	76,690	0.03	(0.01)
			- IEPF Authority	920,530	0	920,530	0.41	965,823	0	965,823	0.43	0.02
			- Foreign National	0	0	0	0	0	0	0	0	0
			- Association of Persons / Firms	0	0	0	0	115	0	115	0.00	0.00
	Sub Total B(2)			**40,512,258**	**2,793,238**	**43,305,496**	**19.09**	**12,055,334**	**2,450,579**	**14,505,913**	**6.39**	**(12.69)**
	Total Public Shareholding (B)= (B)(1)+(B)(2)			**164,888,070**	**2,821,643**	**167,709,713**	**73.92**	**164,848,768**	**2,478,984**	**167,327,752**	**73.75**	**(0.17)**
C	**Shares held by Custodians for GDRs and ADRs**			**0**	**0**	0	0	**0**	**0**	0	0	0
	Grand Total (A) + (B) + (C)			**224,061,093**	**2,821,643**	**226,882,736**	**100.00**	**224,403,752**	**2,478,984**	**226,882,736**	**100.00**	

Notes -

I. The Promoter Group as defined under Regulation 2(1)(t) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations, 2011, (SAST Regulations 2011): 1. Shriram Ownership Trust 2. Shriram Financial Ventures (Chennai) Pvt Limited 3 Shriram Life Insurance Company Limited 4. Shriram General Insurance Company Limited 5. Shriram Credit Company Limited 6. Shriram Asset Management Company Limited. 7. Shriram Overseas Investments Private Limited 8. Bharat Investments Pte. Limited, Singapore 9. Shriram City Union Finance Limited 10. Shriram Fortune Solutions Limited 11. Shriram Wealth Advisors Limited 12. Shriram Insight Share Brokers Limited 13. Shriram Financial Products Solutions (Chennai) Private Limited 14. Shriram Housing Finance Limited 15. Insight Commodities and Futures Private Limited 16. Shrilekha Business Consultancy Private Limited 17. Shriram Seva Sankalp Foundation 18. SGI Philippines General Insurance Co Inc. 19. Shriram Value Services Limited 20. Novac Technology Solutions Private Limited 21. Novac Digital Services Private Limited 22. Snottor Technology Services Private Limited.

II. The Persons Acting in Concert (PAC), as defined in the SAST Regulations 2011 for the purpose of Regulation 10 of SAST Regulations, 2011: (i)Sanlam Emerging Markets (Mauritius) Limited, (ii)Shriram Mutual Fund (SMF), (iii)Mr. S Krishnamurthy (Trustee of SMF), (iv) Mr. V N Shivashankar (Trustee of SMF), (v) Dr. Qudsia Gandhi (Trustee of SMF), (vi) Mr. Mani Sridhar (Trustee of SMF) and (vii) Sanlam Life Insurance Limited.

ANNEXURE - II

(Contd.)

III. All the entities/persons mentioned in Note No. I and Note No. II are PACs for more than three years, except the entity at Sr. No. (19), (20), (21) & (22) in Note No. I are PACs for less than three years.

IV. None of the above-mentioned entities/persons in Note No. I and II hold any shares in the Company except the entity at Sr. No. (2) in Note No. I and (vii) in Note No. II.

ATTACHMENT (IV)

4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

b) Shareholding of Promoter and Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year (as on April 01, 2019)			Shareholding at the end of the year (as on March 31, 2020)			% change in share holding during the year (April 01, 2019 to March 31, 2020)
		No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Shriram Capital Limited (Promoter)	59,173,023	26.08	N.A	59,504,947	26.23	N.A	0.15
2	Shriram Financial Ventures (Chennai) Private Limited – (Promoter Group)	0	0	N.A	50037	0.02	N.A	0.02
Total		**59173023**	**26.08**	**N.A**	**59554984**	**26.25**	**N.A**	0.17

ATTACHMENT (V)

4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

c) Change in Promoter and Promoter Group Shareholding *(please specify, if there is no change)*

Sr. No.	Particular	Shareholding at the beginning (April 01, 2019)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total Shares of the company
1	Shriram Capital Limited (Promoter)	59173023	26.08	27/06/2019	124898	Purchase	59297921	26.14
	Shriram Capital Limited- (Promoter)	0	0	28/06/2019	207026	Purchase	**59504947**	**26.23**
2	Shriram Financial Ventures (Chennai) Private Limited – (Promoter Group)	0	0	27/06/2019	12518	Purchase	12518	**0.01**
	Shriram Financial Ventures (Chennai) Private Limited – (Promoter Group)	0	0	28/06/2019	37519	Purchase	**50037**	**0.02**

ATTACHMENT (VI)

4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

d) Shareholding Pattern of top ten Shareholders (other than Directors Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	PIRAMAL ENTERPRISES LIMITED						
	Opening Balance as on 01/04/2019	22,600,000	9.96	0	0	0	0
	21/06/2019	0	0	(22,600,000)	(9.96)	0	0.00
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**0**	**0.00**
2	SANLAM LIFE INSURANCE LIMITED						
	Opening Balance as on 01/04/2019	6,757,267	2.98	0	0	0	0
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**6,757,267**	**2.98**
3	NEW WORLD FUND INC						
	Opening Balance as on 01/04/2019	**4,289,150**	**1.89**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	91,580	0.04	4,380,730	1.93
	12/04/2019	0	0	10,333	0.01	4,391,063	1.94
	05/07/2019	0	0	(1,141,063)	(0.50)	3,250,000	1.43
	26/07/2019	00	0	(2,587,418)	(1.14)	662,582	0.29
	02/08/2019	0	0	(257,378)	(0.11)	405,204	0.18

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	09/08/2019	0	0	(357,800)	(0.16)	47,404	0.02
	16/08/2019	0	0	(47,404)	(0.02)	000	0.00
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**00**	**0.00**
4	GOVERNMENT PENSION FUND GLOBAL						
	Opening Balance as on 01/04/2019	**4,093,192**	**1.80**	**0**	**0**	**0**	**0**
	19/04/2019	0	0	133,329	0.06	4,226,521	1.86
	10/05/2019	0	0	76,315	0.03	4,302,836	1.90
	21/06/2019	0	0	77,152	0.03	4,379,988	1.93
	26/07/2019	0	0	77,129	0.03	4,457,117	1.97
	30/08/2019	0	0	363,947	0.16	4,821,064	2.13
	27/09/2019	0	0	137,726	0.06	4,958,790	2.19
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**4,958,790**	**2.19**
5	SOCIETE GENERALE / SOCIETE GENERALE - ODI						
	Opening Balance as on 01/04/2019	**3,615,963**	**1.59**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	40,944	0.02	3,656,907	1.61
	12/04/2019	0	0	(27,041)	(0.01)	3,629,866	1.60
	19/04/2019	0	0	36,966	0.02	3,666,832	1.62
	26/04/2019	0	0	5,823	0.00	3,672,655	1.62
	03/05/2019	0	0	(40,302)	(0.02)	3,632,353	1.60
	10/05/2019	0	0	(236,982)	(0.10)	3,395,371	1.50
	17/05/2019	0	0	(344,140)	(0.15)	3,051,231	1.35
	24/05/2019	0	0	(178,185)	(0.08)	2,873,046	1.27
	31/05/2019	0	0	(30,273)	(0.01)	2,842,773	1.25
	07/06/2019	0	0	(293,467)	(0.13)	2,549,306	1.12
	14/06/2019	0	0	(625,247)	(0.28)	1,924,059	0.85
	21/06/2019	0	0	(149,211)	(0.07)	1,774,848	0.78
	28/06/2019	0	0	195	0.00	1,775,043	0.78
	05/07/2019	0	0	(25,434)	(0.01)	1,749,609	0.77
	12/07/2019	0	0	314,262	0.14	2,063,871	0.91
	19/07/2019	0	0	(426,075)	(0.19)	1,637,796	0.72
	26/07/2019	0	0	(189,750)	(0.08)	1,448,046	0.64
	02/08/2019	0	0	(211,616)	(0.09)	1,236,430	0.55
	09/08/2019	0	0	(128,225)	(0.06)	1,108,205	0.49
	16/08/2019	0	0	(25,639)	(0.01)	1,082,566	0.48
	23/08/2019	0	0	38,550	0.02	1,121,116	0.49
	30/08/2019	0	0	(110,953)	(0.05)	1,010,163	0.45
	06/09/2019	0	0	(289,631)	(0.13)	720,532	0.32
	13/09/2019	0	0	710	0.00	721,242	0.32
	20/09/2019	0	0	18,892	0.01	740,134	0.33
	27/09/2019	0	0	23,123	0.01	763,257	0.34
	04/10/2019	0	0	28,022	0.01	791,279	0.35
	11/10/2019	0	0	(10,700)	(0.01)	780,579	0.34
	18/10/2019	0	0	2,486	0.00	783,065	0.35
	25/10/2019	0	0	27,140	0.01	810,205	0.36
	01/11/2019	0	0	113,397	0.05	923,602	0.41
	08/11/2019	0	0	(89,755)	(0.04)	833,847	0.37
	15/11/2019	0	0	(28,816)	(0.01)	805,031	0.36
	22/11/2019	0	0	(26,642)	(0.01)	778,389	0.34
	29/11/2019	0	0	63,909	0.03	842,298	0.37
	06/12/2019	0	0	129,123	0.06	971,421	0.43
	13/12/2019	0	0	(3,813)	(0.00)	967,608	0.43
	20/12/2019	0	0	8,582	0.00	976,190	0.43
	27/12/2019	0	0	19,880	0.01	996,070	0.44
	31/12/2019	0	0	123,191	0.05	1,119,261	0.49
	03/01/2020	0	0	39,425	0.02	1,158,686	0.51
	10/01/2020	0	0	(78,878)	(0.04)	1,079,808	0.48
	17/01/2020	0	0	(31,544)	(0.01)	1,048,264	0.46
	24/01/2020	0	0	(13,098)	(0.01)	1,035,166	0.46
	31/01/2020	0	0	(164,137)	(0.07)	871,029	0.38

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(Contd.)

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	07/02/2020	0	0	565,277	0.25	1,436,306	0.63
	14/02/2020	0	0	763,617	0.34	2,199,923	0.97
	21/02/2020	0	0	60,664	0.03	2,260,587	1.00
	28/02/2020	0	0	55,498	0.02	2,316,085	1.02
	06/03/2020	0	0	40,051	0.02	2,356,136	1.04
	13/03/2020	0	0	(256,052)	(0.11)	2,100,084	0.93
	20/03/2020	0	0	(658,760)	(0.29)	1,441,324	0.64
	27/03/2020	0	0	(786,115)	(0.35)	655,209	0.29
	31/03/2020	0	0	(71,443)	(0.03)	583,766	0.26
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**583,766**	**0.26**
6	**ABU DHABI INVESTMENT AUTHORITY (Under different sub accounts)**						
	Opening Balance as on 01/04/2019	**3,370,518**	**1.49**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	(146,110)	(0.06)	3,224,408	1.42
	12/04/2019	0	0	19,725	0.01	3,244,133	1.43
	19/04/2019	0	0	42,574	0.02	3,286,707	1.45
	26/04/2019	0	0	112,023	0.05	3,398,730	1.50
	31/05/2019	0	0	(7,487)	(0.00)	3,391,243	1.50
	21/06/2019	0	0	266,926	0.12	3,658,169	1.61
	28/06/2019	0	0	20	0.00	3,658,189	1.61
	19/07/2019	0	0	(39,986)	(0.02)	3,618,203	1.60
	26/07/2019	0	0	(81,184)	(0.04)	3,537,019	1.56
	02/08/2019	0	0	87,337	0.04	3,624,356	1.60
	30/08/2019	0	0	(4,789)	(0.00)	3,619,567	1.60
	13/09/2019	0	0	4,474	0.00	3,624,041	1.60
	11/10/2019	0	0	(32,085)	(0.01)	3,591,956	1.58
	18/10/2019	0	0	(1,339)	(0.00)	3,590,617	1.58
	25/10/2019	0	0	(1,340)	(0.00)	3,589,277	1.58
	08/11/2019	0	0	12,301	0.01	3,601,578	1.59
	15/11/2019	0	0	(262,763)	(0.12)	3,338,815	1.47
	22/11/2019	0	0	(248,451)	(0.11)	3,090,364	1.36
	29/11/2019	0	0	(24,400)	(0.01)	3,065,964	1.35
	17/01/2020	0	0	(329,507)	(0.15)	2,736,457	1.21
	24/01/2020	0	0	(114,913)	(0.05)	2,621,544	1.16
	31/01/2020	0	0	(12,352)	(0.01)	2,609,192	1.15
	07/02/2020	0	0	(317,315)	(0.14)	2,291,877	1.01
	14/02/2020	0	0	(4,300)	(0.00)	2,287,577	1.01
	21/02/2020	0	0	(2,850)	(0.00)	2,284,727	1.01
	28/02/2020	0	0	(11,580)	(0.01)	2,273,147	1.00
	06/03/2020	0	0	(85,320)	(0.04)	2,187,827	0.96
	27/03/2020	0	0	107,300	0.05	2,295,127	1.01
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**2,295,127**	**1.01**
7	**SMALLCAP WORLD FUND, INC**						
	Opening Balance as on 01/04/2019	**3,179,060**	**1.40**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	1,874	0.00	3,180,934	1.40
	12/04/2019	0	0	211	0.00	3,181,145	1.40
	21/06/2019	0	0	(425,375)	(0.19)	2,755,770	1.22
	28/06/2019	0	0	(1,887,895)	(0.83)	867,875	0.38
	05/07/2019	0	0	(608,150)	(0.27)	259,725	0.11
	19/07/2019	0	0	(213,726)	(0.09)	45,999	0.02
	28/02/2020	0	0	436,268	0.19	482,267	0.21
	06/03/2020	0	0	248,232	0.11	730,499	0.32
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**730,499**	**0.32**
8	**GOVERNMENT OF SINGAPORE**						
	Opening Balance as on 01/04/2019	**2,917,874**	**1.29**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	(204,637)	(0.09)	2,713,237	1.20
	12/04/2019	0	0	79,903	0.04	2,793,140	1.23
	03/05/2019	0	0	(10,073)	(0.00)	2,783,067	1.23
	10/05/2019	0	0	(18,615)	(0.01)	2,764,452	1.22
	17/05/2019	0	0	(2,035)	(0.00)	2,762,417	1.22
	24/05/2019	0	0	10,498	0.01	2,772,915	1.22

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	31/05/2019	0	0	(70,095)	(0.03)	2,702,820	1.19
	07/06/2019	0	0	203,312	0.09	2,906,132	1.28
	14/06/2019	0	0	21,418	0.01	2,927,550	1.29
	05/07/2019	0	0	7,809	0.00	2,935,359	1.29
	12/07/2019	0	0	21,638	0.01	2,956,997	1.30
	19/07/2019	0	0	(1,593)	(0.00)	2,955,404	1.30
	26/07/2019	0	0	(7,470)	(0.00)	2,947,934	1.30
	02/08/2019	0	0	222,132	0.10	3,170,066	1.40
	09/08/2019	0	0	(18,210)	(0.01)	3,151,856	1.39
	16/08/2019	0	0	(7,480)	(0.00)	3,144,376	1.39
	23/08/2019	0	0	(2,626)	(0.00)	3,141,750	1.39
	30/08/2019	0	0	(28,765)	(0.01)	3,112,985	1.37
	06/09/2019	0	0	(714)	0.00	3,112,271	1.37
	13/09/2019	0	0	5,180	0.00	3,117,451	1.37
	20/09/2019	0	0	4,934	0.00	3,122,385	1.38
	30/09/2019	0	0	(1,413)	(0.00)	3,120,972	1.38
	04/10/2019	0	0	22,814	0.01	3,143,786	1.39
	11/10/2019	0	0	26,023	0.01	3,169,809	1.40
	18/10/2019	0	0	5,413	0.00	3,175,222	1.40
	25/10/2019	0	0	(736)	0.00	3,174,486	1.40
	01/11/2019	0	0	(1,448)	(0.00)	3,173,038	1.40
	08/11/2019	0	0	2,422	0.00	3,175,460	1.40
	15/11/2019	0	0	55,551	0.02	3,231,011	1.42
	22/11/2019	0	0	(599)	0.00	3,230,412	1.42
	29/11/2019	0	0	(52,666)	(0.02)	3,177,746	1.40
	06/12/2019	0	0	(85,793)	(0.04)	3,091,953	1.36
	13/12/2019	0	0	(764)	0.00	3,091,189	1.36
	20/12/2019	0	0	16,493	0.01	3,107,682	1.37
	31/12/2019	0	0	(5,048)	(0.00)	3,102,634	1.37
	03/01/2020	0	0	(27,458)	(0.01)	3,075,176	1.36
	10/01/2020	0	0	(110,167)	(0.05)	2,965,009	1.31
	17/01/2020	0	0	(87,700)	(0.04)	2,877,309	1.27
	24/01/2020	0	0	(12,965)	(0.01)	2,864,344	1.26
	31/01/2020	0	0	(3,499)	(0.00)	2,860,845	1.26
	07/02/2020	0	0	(80,524)	(0.04)	2,780,321	1.23
	14/02/2020	0	0	16,503	0.01	2,796,824	1.23
	21/02/2020	0	0	(1,415)	(0.00)	2,795,409	1.23
	28/02/2020	0	0	(376,993)	(0.17)	2,418,416	1.07
	06/03/2020	0	0	(705,129)	(0.31)	1,713,287	0.76
	13/03/2020	0	0	(88,661)	(0.04)	1,624,626	0.72
	20/03/2020	0	0	(145,985)	(0.06)	1,478,641	0.65
	31/03/2020	0	0	(7,008)	(0.00)	1,471,633	0.65
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**1,471,633**	**0.65**
9	**GENERATION IM FUND PLC-GENERATION IM ASIA FUND**						
	Opening Balance as on 01/04/2019	**2,900,599**	**1.28**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	64,799	0.03	2,965,398	1.31
	21/06/2019	0	0	154,120	0.07	3,119,518	1.38
	05/07/2019	0	0	33,247	0.02	3,152,765	1.39
	26/07/2019	0	0	185,000	0.08	3,337,765	1.47
	02/08/2019	0	0	158,900	0.07	3,496,665	1.54
	04/10/2019	0	0	(334,654)	(0.15)	3,162,011	1.39
	03/01/2020	0	0	(151,715)	(0.07)	3,010,296	1.33
	28/02/2020	0	0	(275,978)	(0.12)	2,734,318	1.21
	20/03/2020	0	0	212,460	0.09	2,946,778	1.30
	Closing Balance as on 31/03/2020	0	0	0	0	2,946,778	1.30
10	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS**						
	Opening Balance as on 01/04/2019	**2,704,346**	**1.19**	**0**	**0**	**0**	**0**
	12/04/2019	0	0	6,233	0.00	2,710,579	1.20
	10/05/2019	0	0	6,504	0.00	2,717,083	1.20
	21/06/2019	0	0	(14,634)	(0.01)	2,702,449	1.19

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(Contd.)

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	28/06/2019	0	0	(72,080)	(0.03)	2,630,369	1.16
	27/09/2019	0	0	(72,848)	(0.03)	2,557,521	1.13
	27/12/2019	0	0	(66,358)	(0.03)	2,491,163	1.10
	27/03/2020	0	0	(2,163)	(0.00)	2,489,000	1.10
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**2,489,000**	**1.10**
11	FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGING MARKETS OPPORTUNITIES FUND						
	Opening Balance as on 01/04/2019	**2,397,700**	**1.06**	**0**	**0**	**0**	**0**
	10/05/2019	0	0	78,900	0.04	2,476,600	1.09
	31/05/2019	0	0	31,600	0.01	2,508,200	1.11
	14/06/2019	0	0	111,600	0.05	2,619,800	1.16
	21/06/2019	0	0	648,698	0.29	3,268,498	1.44
	05/07/2019	0	0	109,800	0.05	3,378,298	1.49
	26/07/2019	0	0	(58,100)	(0.03)	3,320,198	1.46
	09/08/2019	0	0	210,000	0.09	3,530,198	1.56
	16/08/2019	0	0	193,072	0.09	3,723,270	1.64
	23/08/2019	0	0	54,000	0.02	3,777,270	1.67
	27/09/2019	0	0	397,900	0.18	4,175,170	1.84
	18/10/2019	0	0	68,400	0.03	4,243,570	1.87
	08/11/2019	0	0	188,200	0.08	4,431,770	1.95
	15/11/2019	0	0	16,200	0.01	4,447,970	1.96
	22/11/2019	0	0	(41,000)	(0.02)	4,406,970	1.94
	20/12/2019	0	0	643,500	0.28	5,050,470	2.23
	24/01/2020	0	0	(109,700)	(0.05)	4,940,770	2.18
	06/03/2020	0	0	238,300	0.11	5,179,070	2.28
	13/03/2020	0	0	304,000	0.13	5,483,070	2.42
	20/03/2020	0	0	597,400	0.26	6,080,470	2.68
	27/03/2020	0	0	1,279,500	0.56	7,359,970	3.24
	31/03/2020	0	0	3,206	0.00	7,363,176	3.25
	Closing Balance as on 31/03/2020	**0**	**0**			**7,363,176**	**3.25**
12	T. ROWE PRICE NEW ASIA FUND						
	Opening Balance as on 01/04/2019	**2,137,423**	**0.94**	**0**	**0**	**0**	**0**
	17/05/2019	0	0	112,651	0.05	2,250,074	0.99
	31/05/2019	0	0	151,240	0.07	2,401,314	1.06
	14/06/2019	0	0	94,242	0.04	2,495,556	1.10
	21/06/2019	0	0	131,940	0.06	2,627,496	1.16
	09/08/2019	0	0	130,509	0.06	2,758,005	1.22
	23/08/2019	0	0	408,891	0.18	3,166,896	1.40
	01/11/2019	0	0	144,681	0.06	3,311,577	1.46
	15/11/2019	0	0	99,162	0.04	3,410,739	1.50
	07/02/2020	0	0	(68,664)	(0.03)	3,342,075	1.47
	14/02/2020	0	0	(67,014)	(0.03)	3,275,061	1.44
	28/02/2020	0	0	165,319	0.07	3,440,380	1.52
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**3,440,380**	**1.52**
13	MFS EMERGING MARKETS EQUITY FUND						
	Opening Balance as on 01/04/2019	**1,210,894**	**0.53**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	15,264	0.01	1,226,158	0.54
	26/04/2019	0	0	8,339	0.00	1,234,497	0.54
	03/05/2019	0	0	26,198	0.01	1,260,695	0.56
	10/05/2019	0	0	19,959	0.01	1,280,654	0.56
	17/05/2019	0	0	32,557	0.01	1,313,211	0.58
	24/05/2019	0	0	39,224	0.02	1,352,435	0.60
	07/06/2019	0	0	334,534	0.15	1,686,969	0.74
	14/06/2019	0	0	156,615	0.07	1,843,584	0.81
	21/06/2019	0	0	216,515	0.10	2,060,099	0.91
	28/06/2019	0	0	272,803	0.12	2,332,902	1.03
	05/07/2019	0	0	174,460	0.08	2,507,362	1.11
	19/07/2019	0	0	23,194	0.01	2,530,556	1.12
	09/08/2019	0	0	36,605	0.02	2,567,161	1.13
	16/08/2019	0	0	84,039	0.04	2,651,200	1.17
	23/08/2019	0	0	39,302	0.02	2,690,502	1.19

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	30/08/2019	0	0	241,127	0.11	2,931,629	1.29
	06/09/2019	0	0	28,715	0.01	2,960,344	1.31
	13/09/2019	0	0	14,753	0.01	2,975,097	1.31
	04/10/2019	0	0	22,219	0.01	2,997,316	1.32
	11/10/2019	0	0	27,658	0.01	3,024,974	1.33
	18/10/2019	0	0	11,907	0.01	3,036,881	1.34
	01/11/2019	0	0	12,826	0.01	3,049,707	1.34
	08/11/2019	0	0	16,465	0.01	3,066,172	1.35
	22/11/2019	0	0	38,042	0.02	3,104,214	1.37
	29/11/2019	0	0	15,015	0.01	3,119,229	1.38
	06/12/2019	0	0	22,195	0.01	3,141,424	1.39
	13/12/2019	0	0	20,235	0.01	3,161,659	1.39
	27/12/2019	0	0	16,279	0.01	3,177,938	1.40
	03/01/2020	0	0	(58,043)	(0.03)	3,119,895	1.38
	10/01/2020	0	0	14,823	0.01	3,134,718	1.38
	17/01/2020	0	0	18,143	0.01	3,152,861	1.39
	31/01/2020	0	0	97,411	0.04	3,250,272	1.43
	07/02/2020	0	0	95,990	0.04	3,346,262	1.48
	21/02/2020	0	0	31,760	0.01	3,378,022	1.49
	28/02/2020	0	0	40,813	0.02	3,418,835	1.51
	06/03/2020	0	0	(7,502)	(0.00)	3,411,333	1.50
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**3,411,333**	**1.50**
14	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND						
	Opening Balance as on 01/04/2019	**2,611,567**	**1.15**	**0**	**0**	**0**	**0**
	26/04/2019	0	0	(30,299)	(0.01)	2,581,268	1.14
	17/05/2019	0	0	34,298	0.02	2,615,566	1.15
	31/05/2019	0	0	38,356	0.02	2,653,922	1.17
	16/08/2019	0	0	32,882	0.01	2,686,804	1.18
	20/09/2019	0	0	27,397	0.01	2,714,201	1.20
	10/01/2020	0	0	13,663	0.01	2,727,864	1.20
	17/01/2020	0	0	25,666	0.01	2,753,530	1.21
	28/02/2020	0	0	45,798	0.02	2,799,328	1.23
	06/03/2020	0	0	22,449	0.01	2,821,777	1.24
	20/03/2020	0	0	66,821	0.03	2,888,598	1.27
	27/03/2020	0	0	34,444	0.02	2,923,042	1.29
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**2,923,042**	**1.29**
15	INVESCO PERPETUAL FUND (Under different sub accounts)						
	Opening Balance as on 01/04/2019	**0**	**0**	**0**	**0**	**0**	**0**
	19/07/2019	0	0	614,626	0.27	614,626	0.27
	26/07/2019	0	0	877,165	0.39	1,491,791	0.66
	02/08/2019	0	0	428,944	0.19	1,920,735	0.85
	09/08/2019	0	0	121,464	0.05	2,042,199	0.90
	23/08/2019	0	0	16,087	0.01	2,058,286	0.91
	30/08/2019	0	0	15,550	0.01	2,073,836	0.91
	06/09/2019	0	0	214,252	0.09	2,288,088	1.01
	13/09/2019	0	0	120,100	0.05	2,408,188	1.06
	20/09/2019	0	0	80,912	0.04	2,489,100	1.10
	27/09/2019	0	0	200,211	0.09	2,689,311	1.19
	04/10/2019	0	0	21,822	0.01	2,711,133	1.20
	11/10/2019	0	0	267,878	0.12	2,979,011	1.31
	25/10/2019	0	0	(92,140)	(0.04)	2,886,871	1.27
	22/11/2019	0	0	(56,578)	(0.03)	2,830,293	1.25
	06/12/2019	0	0	12,393	0.01	2,842,686	1.25
	17/01/2020	0	0	49,311	0.02	2,891,997	1.28
	14/02/2020	0	0	14,770	0.01	2,906,767	1.28
	28/02/2020	0	0	(6,825)	(0.00)	2,899,942	1.28
	20/03/2020	0	0	(110,514)	(0.05)	2,789,428	1.23
	27/03/2020	0	0	78,939	0.04	2,868,367	1.26
	31/03/2020	0	0	22,683	0.01	2,891,050	1.27
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**2,891,050**	**1.27**

ANNEXURE - II

(Contd.)

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
16	INVESTEC GLOBAL STRATEGY FUND - ASIAN EQUITY FUND						
	Opening Balance as on 01/04/2019	**2,702,212**	**1.19**	**0**	**0**	**0**	**0**
	12/04/2019	0	0	219,464	0.10	2,921,676	1.29
	19/04/2019	0	0	182,885	0.08	3,104,561	1.37
	26/04/2019	0	0	507,361	0.22	3,611,922	1.59
	21/06/2019	0	0	128,446	0.06	3,740,368	1.65
	30/09/2019	0	0	(88,997)	(0.04)	3,651,371	1.61
	11/10/2019	0	0	(14,802)	(0.01)	3,636,569	1.60
	25/10/2019	0	0	(3,100)	(0.00)	3,633,469	1.60
	15/11/2019	0	0	130,817	0.06	3,764,286	1.66
	29/11/2019	0	0	(105,129)	(0.05)	3,659,157	1.61
	20/12/2019	0	0	(31,582)	(0.01)	3,627,575	1.60
	27/12/2019	0	0	(89,731)	(0.04)	3,537,844	1.56
	31/12/2019	0	0	(22,684)	(0.01)	3,515,160	1.55
	17/01/2020	0	0	(35,363)	(0.02)	3,479,797	1.53
	21/02/2020	0	0	(63,063)	(0.03)	3,416,734	1.51
	28/02/2020	0	0	(53,270)	(0.02)	3,363,464	1.48
	06/03/2020	0	0	(50,898)	(0.02)	3,312,566	1.46
	13/03/2020	0	0	(65,430)	(0.03)	3,247,136	1.43
	20/03/2020	0	0	(381,999)	(0.17)	2,865,137	1.26
	27/03/2020	0	0	(105,531)	(0.05)	2,759,606	1.22
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**2,759,606**	**1.22**

ATTACHMENT (VII)

4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year (April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Parag Sharma PAN : ABDPS9129C						
	Opening Balance as on April 01, 2019	41,000	0.02	0	0	41,000	0.02
	Closing Balance as on March 31, 2020	**0**	**0**	**0**	**0**	**41,000**	**0.02**

ATTACHMENT (VIII)

5. INDEBTENDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on March 31, 2020

(Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,607,643.30	979,786.46	972,147.50	8,559,577.25
ii) Interest due but not paid(unclaimed)	692.09	1,349.02	2,574.44	4,615.56
iii) Interest accrued but not due	134,598.89	37,902.53	59,361.00	231,862.42
Total (i+ii+iii)	**6,742,934.28**	**1,019,038.01**	**1,034,082.94**	**8,796,055.23**
Change in Indebtedness during the financial year				
• Addition	5,170,142.92	445,294.27	435,159.65	6,050,596.84
• Reduction	4,283,849.26	844,900.03	275,168.05	5,403,917.34
Net Change	**886,293.66**	**-399,605.76**	**159,991.60**	**646,679.50**
Indebtedness at the end of the financial year				
i) Principal Amount	7,477,334.26	586,326.71	1,120,169.67	9,183,830.63
ii) Interest due but not paid (unclaimed)	483.60	3,072.61	2,004.89	5,561.10
iii) Interest accrued but not due	151,410.08	30,032.93	71,899.98	253,343.00
Total (i+ii+iii)	**7,629,227.94**	**619,432.25**	**1,194,074.54**	**9,442,734.73**

* Addition and reduction includes Interest

ATTACHMENT (IX)

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in Rs.)
		*Umesh Revankar – Managing Director and CEO (in Rs.)	
1	**Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96,66,667	96,66,667
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	**Stock Option**	0	0
3	**Sweat Equity**	0	0
4	**Commission**	0	0
	- as % of profit	0	0
	- others, specify...	0	0
5	**Others, please specify**		
	PF Contribution	7,20,000	7,20,000
	NPS Contribution	6,00,000	6,00,000
Total (A)		**1,09,86,667**	**1,09,86,667**

Note-

Above figures do not include post retirement benefits.

(*)The Ceiling on remuneration of Managing Director and CEO as per Section 197 of the Companies Act, 2013 (the Act) is Rs. 1,71,87,62,294 i.e. 5% of the net profit computed as per Section 198 of the Act. Save and except the Managing Director no Whole-time Director or Manager is appointed.

ATTACHMENT (X)

b) Remuneration to Other Directors:

Sr. No.	Particulars of Remuneration	Particulars of Remuneration			
		Fee for attending board committee meetings Commission (in Rs.)	Commission (in Rs.)	Others, please specify	Total Amount (in Rs.)
1	**Independent Directors**				
	Mr. S Lakshminarayanan	4,15,000	7,50,000	Nil	11,65,000
	Mrs. Kishori Udeshi	6,65,000	7,50,000	Nil	14,15,000
	Mr. S. Sridhar	5,65,000	7,50,000	Nil	13,15,000
	Mr.Pradeep Kumar Panja	6,65,000	7,50,000	Nil	14,15,000
	Total (1)	**23,10,000**	**30,00,000**	**Nil**	**53,10,000**
2	**Other Non-Executive Directors**				
	Mr. D V Ravi	Nil	Nil	Nil	Nil
	Mr. Puneet Bhatia	Nil	Nil	Nil	Nil
	Mr. Gerrit Lodewyk Van Heerde (upto May 08, 2019)	Nil	Nil	Nil	Nil
	Mr. Ignatius Michael Viljoen (w.e.f. May 14, 2019)	Nil	Nil	Nil	Nil
	Total (2)	**Nil**	**Nil**	**Nil**	**Nil**
	Total (B)=(1+2)	**Nil**	**Nil**	**Nil**	**Nil**
	Total Managerial Remuneration	**23,10,000**	**30,00,000**	**Nil**	**53,10,000**

Note-

The ceiling on remuneration to Directors other than Managing Director, Whole-time Directors and/or Manager is Rs 34,37,52,459 i.e. 1% of the net profits of the Company calculated as per Section 198 of the Act.

ATTACHMENT (XI)

c) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD.

(in Rs.)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
		Vivek M. Achwal	Parag Sharma	
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	46,54,408	57,03,600	**1,03,58,008**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	**0**
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	**0**
2	Stock Option	0	0	**0**
3	Sweat Equity	0	0	**0**

ANNEXURE - II

(Contd.)

(in Rs.)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
		Vivek M. Achwal	Parag Sharma	
4	Commission	0	0	**0**
	- as % of profit	0	0	**0**
	- others, specify...	0	0	**0**
5	Others, please specify	0	0	**0**
	PF Contribution	1,62,000	3,24,000	**4,86,000**
	NPS Contribution	1,35,000	2,70,000	**4,05,000**
	Total	**49,51,408**	**62,97,600**	**1,12,49,008**

Note: Above figures do not include post retirement benefits

ATTACHMENT(XII)

7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors
S. Lakshminarayanan
Chairman
(DIN: 02808698)

New Delhi
June 10, 2020

ANNEXURE - III

A. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) (a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director for the Financial year 2019-20:-

Name of Independent Directors	Category	*Remuneration for FY 2018-19 (Rs. in crs)	*Remuneration for FY 2019-20 (Rs. in crs)	% Increase in Remuneration in FY 2019-20	Ratio of Remuneration of each Director to Median Remuneration of Employees
(i)	(ii)	(iii)	(iv)	(v)= (iv)- (iii)	(vi)
Mr. S.Lakshminarayanan Chairman	Non- Executive	0.08	0.08	-	2.48x
Mr. S.M .Bafna (upto March 31,2019)	Non- Executive	0.08	-	@Not Applicable	@Not Applicable
Mr. Amitabh Chaudhry (upto October 25, 2018)	Non- Executive	0.04	-	@Not Applicable	@Not Applicable
Mrs. Kishori Udeshi	Non- Executive	0.08	0.08	-	2.48x
Mr. S.Sridhar	Non- Executive	0.08	0.08	-	2.48x
Mr. Pradeep Kumar Panja (w.e.f. October 25, 2018)	Non- Executive	0.03	0.08	@Not Applicable	2.48x

*Excludes Sitting fees. The Independent directors are entitled to Sitting fees and commission as per the statutory provisions and within the limit approved by the Shareholders. The Non-executive Non-Independent Directors did not receive any remuneration from the Company.

@ Mr. Pradeep Kumar Panja held the office w.e.f October 25, 2018, as such the details of percentage increase in his remuneration in financial year 2019-20 is not given. Further Mr. Amitabh Chaudhry held the office upto October 25, 2018 and Mr. S. M. Bafna held the office upto March 31, 2019, as such the details of percentage increase in their remuneration in financial year 2019-20 are not given and for these reasons the ratio of their remuneration to the Median remuneration of employees is not given.

(b) The percentage increase in remuneration of Chief Executive Officer , Chief Financial Officer and Company Secretary in the Financial year 2019-20:-

Name of KMP	Category	Remuneration for FY 2018-19 (Rs. in crs)	Remuneration for FY 2019-20 (Rs. in crs)	% Increase in Remuneration in FY 2019-20	Ratio of Remuneration of each Director to Median Remuneration of Employees
*Mr. Umesh Revankar	Managing Director & CEO	0.63	1.10	74.58	36.38
Mr. Parag Sharma	Chief Financial Officer	0.58	0.63	9.53	Not Applicable
Mr. Vivek Achwal	Company Secretary	0.45	0.50	9.70	Not Applicable

* (The above figures do not include retirement benefits.)

(ii) In the Financial year 2019-20, there was an increase of 3.97% in the median remuneration of the employees

(iii) There were 28045 permanent employees on the role of Company as on March 31, 2020.

(iv) For employees other than Managerial Personnel who were in employment for whole of the Financial Year 2018-19 and Financial Year 2019-20, the average increase was 21.19%. The average increase for Managerial Personnel was 9.37%. The increase in the managerial remuneration is reasonable having regard to the performance, qualification and experience of the managerial personnel and the same is in line with the industry standards/benchmark.

(v) It is hereby affirmed that the remuneration paid to the Directors, Key Managerial Persons and employees is as per the Remuneration policy of the Company.

ANNEXURE - III

(Contd.)

B. THE DISCLOSURE REQUIRED AS UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 :

Sr. No	Name of the Employee	Designation	Remuneration (Rs.in crs)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Date of Birth	Age	Last employment	Relative of any director
1.	Mr. Umesh Revankar	Managing Director & CEO	1.16	Contractual	Bachelor's degree in business management from Mangalore University and a master of business administration (MBA) in finance. Attended the Advanced Management Program at Harvard Business School. Has 33 years of experience. For more details refer Corporate Governance Report.	Director since October 25, 2016	October 27, 1964	55 years	Shriram Capital Limited	-

For and on behalf of the Board of Directors
S. Lakshminarayanan
Chairman
(DIN: 02808698)

New Delhi
June 10, 2020

ANNEXURE - IV

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To
The Members
Shriram Transport Finance Company Limited
CIN: L65191TN1979PLC007874
Mookambika Complex, 3rd Floor
No: 4, Lady Desika Road, Mylapore
Chennai 600004

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

Based on my verification of Company's books, papers, minute books, forms, statutory registers and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;
2) The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3) The Depositories Act, 1996 and the Regulations and Bye-laws framed
4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
    g) The Securities and Exchange Board of India(Buy-Back of Securities) Regulations,2018
6) Reserve Bank of India Act, 1934
7) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.
9) Master Direction - External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers as amended.

10) Master Direction - Information Technology Framework for the NBFC Sector

11) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

12) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

I further report that

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

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

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

I further report that

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

I further report that

during the audit period apart from the instances mentioned hereunder, there were specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.,

(i) Private Placement offer letter for secured and unsecured redeemable Non-Convertible Debentures pursuant to Section 42 of the Companies Act, 2013 read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(ii) Private Placement offer letter for Unsecured Redeemable Non-Convertible Subordinated Debt in the nature of Debentures pursuant to Section 42 read with rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules 2014.

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.

(iv) Public issue of Secured Redeemable Non-convertible Debentures pursuant to the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "debt regulations") read with the companies Act, 2013 and the rules made thereunder.

(v) Buy back of Non convertible Debentures issued through Private Placement.

(vi) Major decisions taken by the members in pursuance to section 149 of the Companies Act, 2013 and Regulation 16(1)(b) and 17(1A) of SEBI (listing obligations and disclosure requirements) Regulations, 2015.

(P. Sriram)
P. Sriram & Associates
FCS No. 4862/C P No: 3310
UDIN : F004862B000333971
PEER REVIEW NO:S2011TN155200

Chennai
June 09, 2020

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

Annexure A

To
The Members
Shriram Transport Finance Company Limited

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

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

(P. Sriram)
P. Sriram & Associates
FCS No. 4862/C P No: 3310
UDIN : F004862B000333971
PEER REVIEW NO:S2011TN155200

Chennai
June 09, 2020

ANNEXURE - V

Pijush Gupta & Co.
Chartered Accountants
GF – 17 Augusta Point,Golf Course Road, Sector – 53
Gurugram - 122002

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

To The Members

Shriram Transport Finance Company Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated June 28, 2019.
2. We have examined the compliance of conditions of Corporate Governance by Shriram Transport Finance Company Limited ('the Company'), for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

3. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

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

Sangeeta Gupta
Partner
Membership No.:064225
UDIN: 20064225AAAABA3030

Gurugram
June 10, 2020

Report on Corporate Governance







The Report for the financial year ended March 31, 2020 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below.

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

BOARD OF DIRECTORS

The Company has put in place an internal governance structure. The Board of Directors of the Company consists of professionals from varied disciplines. The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Managing Director and CEO, who functions under the overall supervision, direction and control of the Board of Directors ("the Board") of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc. . In order to facilitate the day-to-day operations, the Board constitutes from time to time various committees and delegated necessary powers to the Committees. The Board has also delegated certain powers of day-to-day management of affairs of the Company to the Managing Director relating to operational matters. The Board thus exercises close control over the overall functioning of the Company with a view to enhance the stakeholders value.

The Independent Directors have made disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large.

BOARD MEETING AND PROCEDURES

1. The notes on Agenda setting out the business to be transacted at the Board Meeting , were sent to each Director seven days before the date of the Board Meeting. The financial results were generally tabled at the Board meeting held as and when necessary. The Directors were provided the facility of video conferencing to enable them to participate effectively in the Meeting(s), as and when required. During the financial year the Directors also passed some resolutions by circulation on March 24,2020, March 30,2020 and March 31,2020 for continued business affairs of the Company. The yearly calendar of the meetings is finalized before the beginning of the year.

   During the year under review, six meetings of the Board of Directors were held on April 03, 2019, May 08, 2019, June 27, 2019, July 24, 2019, October 24, 2019 and February 03, 2020. The necessary quorum was present for all the meetings.

   The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by proviso under Regulation 17A(1) of the

Listing Regulations as of March 31, 2020, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities and as per Regulation 26 of Listing Regulations none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees of the companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

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

COMPOSITION OF BOARD

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

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2020	Whether attended the last AGM held on June 27, 2019	Total no. of Directorships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of listed entities where person is a director.
Mr. S Lakshminarayanan Chairman Non-Executive Independent Director, DIN: 02808698	5	Yes	3	1	1	Nil
Mr. Umesh Revankar Executive, Managing Director & CEO, DIN: 00141189 At the 40th AGM held on June 27, 2019, the shareholders of our Company have approved re-appointment for a period of five years w.e.f. October 26, 2019.	6	Yes	5	3	0	NIL
Mr. Puneet Bhatia Non-Executive Non-Independent Director, DIN: 00143973	3	No	7	1	0	Non-executive Non Independent director i) Havells India Limited
Mrs. Kishori Jayendra Udeshi Non-Executive Independent Director, DIN: 01344073	6	Yes	7	4	0	Non-executive Independent Director (i) ION Exchange (India) Ltd. (ii) HALDYN Glass Ltd. ; (iii) Thomas Cook (india) Ltd.; (iv) ELANTAS Beck India Limited
***Mr. Gerrit Lodewyk Van Heerde,** Non-Executive Non-Independent Director, DIN: 06870337	2	N.A.*	*	*	*	*
****Mr. Ignatius Michael Viljoen ,** Non-Executive and Non-Independent Director DIN: 08452443	5	No	1	0	0	Non-executive Non Independent director i) Shriram City Union Finance Limited

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2020	Whether attended the last AGM held on June 27, 2019	Total no. of Directorships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of listed entities where person is a director.
Mr. Sridhar Srinivasan Non-Executive Independent Director, DIN: 00004272	6	Yes	7	1	4	Non-executive Independent director i) Jubilant Life Sciences Limited ii) Strides Pharma Science Limited iii) DCB Bank Limited
Mr. D. V. Ravi Non-Executive Non-Independent Director, DIN: 00171603	3	Yes	5	2	0	Non-executive Non Independent director i) Take Solutions Limited
Mr. Pradeep Kumar Panja Non-Executive Independent Director, DIN: 03614568	6	Yes	6	3	2	Non-executive Independent director i) Omax Autos Limited ii) Trigyn Technologies Limited iii) Brigade Enterprises Limited

Notes:

1. In the above table, the total number of Directorships of a Director excludes his/her Directorships in the Company, Section 8 Company, Private Limited Companies and Foreign Companies.
2. The Memberships and Chairmanships of Directors in Committees do not include their Memberships and Chairmanships in the Company.
3. None of the above Directors are related inter- se.
4. Non-Executive Directors of the Company do not hold any shares and convertible instruments in the Company.
5. * Mr. Gerrit Lodewyk Van Heerde, Non-Executive Non-Independent Director resigned from the directorship of the Company with effect from May 09, 2019 due to work commitments.
6 ** The Board of Directors appointed Mr. Ignatius Michael Viljoen as a Non-Executive Non- Independent Director of the Company w.e.f May 14, 2019.

A chart or a matrix setting out the skills/expertise/competence of the Board of Directors Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h)(ii) of Listing Regulations the Board of Directors has identified the following the requisite skills/expertise and competencies for the effective functioning of the Company which are currently available with the Board.

Sr. No.	Name of the Director & Designation	Core skills/expertise/competencies
1	**Mr. S Lakshminarayanan** Chairman, Independent Director	Member of Indian Administrative Service (retired) held various senior positions in government departments including Secretary in Ministry of Home Affairs. Wide experience in the fields of administration and public relations.
2	**Mr. Umesh Revankar** Managing Director & CEO	Holds a Bachelor's degree in Business Management from Mangalore University and MBA in finance. Extensive experience in the financial services business of companies in Shriram Group, expert and in-depth knowledge and specialization in commercial vehicle financing, business development.

3	**Mrs. Kishori Jayendra Udeshi** Independent Director	Holds Master's degree in Economics from Bombay University. Wide experience in banking, non-banking sector, financial sector and regulatory matters. Retired as a Deputy Governor of Reserve Bank of India (RBI). Represented RBI on the core Principles Liaison Group and the Core Principles Working Group on Capital, of the Basel Committee on Banking Supervision. As Deputy Governor of RBI, she was on the Board of SEBI, NABARD, Exim Bank and was the Chairperson of Bharatiya Reserve Bank Note Mudran (Pvt.) Ltd., Bangalore as also Chairperson of the Deposit Insurance and Credit Guarantee Corporation. Director of the Security Printing & Minting Corporation of India Limited. from 28/2/2007 to 26/6/2013. She was also a member of the court of governors of the Administrative Staff College, Hyderabad. In 2013 the Government of India appointed her as a member Financial Sector Legislative Reforms Commission chaired by Justice Shri Krishna.
4	**Mr. Sridhar Srinivasan** Independent Director	Holds a degree from IIT-Delhi and Management Studies from Jamnalal Bajaj Institute. Wide and rich experience as Banker for more than four decades in Commercial and Development Banking. Retired as Chairman and Managing Director of Central Bank of India. An innovative, market oriented banker with about 46 years' experience in commercial and development banking of which more than 10 years as Executive Director/CEO at Board level. Strategic thinker having provided transformational leadership to the organisations worked for.
5	**Mr. Pradeep Kumar Panja** Independent Director	Holds Master's Degree in Science (Statistics) from the University of Madras. Rich experience in various areas of banking including corporate and international banking, treasury management, information technology, strategic planning, business development, risk management. Retired as Managing Director of State Bank of India, India's largest Bank and ranked 55th internationally. A Career banker with State Bank of India and gained about 4 decades of rich experience of which more than 5 years was at Board level. He had exposure to all facets of Banking including Risk Management, Corporate Governance principles and practices. Currently, Member of Banks Board Bureau constituted by GOI- one of the key roles is to advise the Banks on CG Practices.
6	**Mr. Puneet Bhatia** Non-Executive and Non-Independent Director	Holds a Bachelor's degree in Commerce and MBA from IIM – Calcutta. Wide experience in the field of finance and worked with one of the first private equity firm to invest in Asia as Managing Director and Country Head
7	**Mr. D. V. Ravi** Non-Executive and Non-Independent Director	Holds a Bachelor's degree in Commerce from University of Bangalore and Post-graduate degree in Management from the Institute of Rural Management, Anand. Wide experience in the areas of corporate strategy and services, corporate finance, IT and process activities of Shriram Group.
8	**Mr. Ignatius Michael Viljoen** Non-Executive and Non-Independent (w.e.f. May 14, 2019)	Holds a Master's degree in Economics with distinction from the University of the Free State, South Africa. Experience in credit risk and credit portfolio management across the various entities owned by the Sanlam Group outside of the Republic of South Africa.

The brief profiles of Directors are also available on the website of the Company **https://www.stfc.in/about-us/board-of-director/**

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

MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met on February 03, 2020 without the presence of Executive Directors or members of management. The meeting was attended by all the Independent Directors. In the meeting, the Independent Directors reviewed performance of Non-Independent Directors, Board as a whole, Chairman and every Independent Directors. The Directors were evaluated on parameters such as functioning of the Board, frequency of meetings of the board and committees of directors, level of participation of directors at the board and committee meetings, independence of judgments, performance of duties and obligations by directors, implementation of good corporate governance, safeguarding the interest of all other stakeholders. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The Independent Directors were highly satisfied with the overall functioning of the Board ,its various Committees and with the performance of other Executive and Non-Executive directors.

FAMILIARIZATION PROGRAMME

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company. In addition, the Company also updates on continuous basis to the Independent Directors about the ongoing events and developments relating to the Company, significant changes in regulatory environment and risk management framework through the Board/Committee meetings and separate familiarisation programme(s). During the Financial Year 2019-20 the Company had conducted 7 programmes / meetings and the time spent by Independent Directors was in the range of 5-7 hours. The cumulative programmes / meetings conducted till date were 33 and the time spent by Independent Directors was in the range of 27-29 hours. Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website at the web link: **https://bit.ly/30qWhR9**

POLICY FOR PROHIBITION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has adopted Prohibition of Insider Trading Code and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Code also provides for pre-clearance of transactions by designated persons.

COMMITTEES OF DIRECTORS

AUDIT COMMITTEE

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

Terms of reference

The terms of reference of the Audit Committee, inter alia includes:

1. Overseeing the financial reporting process.
2. To ensure proper disclosure in the Quarterly, Half yearly and Annual Financial Statements. To recommend appointment, re-appointment of auditors, fixing of their remuneration and approval of payment to auditors for any other services rendered by them.
3. Reviewing, with the management, the Financial Statements before submission to the Board.
4. Reviewing the adequacy of internal audit function.
5. Reviewing the findings of any internal examinations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
6. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
7. To discuss with the management, the senior internal audit executives and the auditor/s the Company's major risk exposures, guidelines and policies.
8. To review the functioning of the Whistle Blower Mechanism.
9. Approval of appointment of CFO (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
10. Review and monitor the Auditor's independence, performance and effectiveness of audit process.
11. Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions.

12. Scrutiny of inter-corporate loans and investments.
13. Valuation of undertakings or assets of the Company, wherever it is necessary.
14. To review the Financial Statements, in particular, the investments made by the Unlisted Subsidiary Company. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

During the year under review, five meetings were held on May 08, 2019, July 18, 2019, July 24, 2019, October 24, 2019 and February 03, 2020. The maximum gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	5
Mrs. Kishori Udeshi	Member	5
Mr. Pradeep Kumar Panja	Member	5
Mr. Puneet Bhatia	Member	2

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors, Internal Auditor, the Managing Director & CEO, the Chief Financial Officer, the Head of Accounts Department of the Company and other invitees also attend the meeting.

NOMINATION AND REMUNERATION COMMITTEE

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

Terms of reference

The terms of reference of the NRC, is uploaded on the Company's website at the weblink **https://bit.ly/2DQlAVb**.

During the year, the Committee met three times on April 03, 2019, May 08, 2019 and February 03, 2020. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mrs. Kishori Udeshi	Chairperson	3
Mr. S. Lakshminarayanan	Member	3
Mr. Pradeep Kumar Panja	Member	3
Mr. Puneet Bhatia	Member	2

CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

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

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

REMUNERATION OF INDEPENDENT DIRECTORS

The Company is being benefited from the expertise, advice and inputs provided by the Independent Directors. The Independent Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. Independent Directors of the Company are paid sitting fees Rs. 50,000/-for every meeting of Board, Rs. 25,000/- for every Committee meeting and Rs 15,000/- for every meeting of Independent Directors attended by them. No sitting fees are paid to Non-Independent Directors. Equal commission is being paid to all Independent Directors. The shareholders of the Company in their 38th Annual General Meeting held on June 29, 2017 have approved payment of commission to Independent Directors subject to the statutory limits. The amount of commission for every financial year is decided by the Board of Directors.

REMUNERATION OF MANAGING DIRECTOR AND CEO:

Refer Remuneration Policy uploaded on the Company's website **https://bit.ly/2DQlAVb.**

The details of sitting fees/remuneration paid to the Directors during the year 2019- 2020 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meetings (Rs.)	Salary, Perquisites & ESOS (Rs.)	Commission (to be paid) (Rs.)	Total (Rs.)
1	Mr. S. Lakshminarayanan (Chairman)	4,15,000	-	7,50,000	**11,15,000**
2	Mr. Umesh Revankar (Managing Director and CEO)*	-	1,09,86,667	-	**1,09,86,667**
3	Mr. Puneet Bhatia	-	-	-	**-**
4	Mrs. Kishori Udeshi	6,65,000	-	7,50,000	**14,15,000**
5	Mr. Pradeep Kumar Panja	6,65,000	-	7,50,000	**14,15,000**
6	Mr. Gerrit Lodewyk Van Heerde (up to May 08, 2019)	-	-	-	**-**
7	Mr. Ignatius Michael Viljoen (w.e.f May 14, 2019)	-	-	-	**-**
8	Mr. Sridhar Srinivasan	5,65,000	-	7,50,000	**13,15,000**
9	Mr. D. V. Ravi	-	-	-	**-**
GST on sitting fees paid to the Directors (50% Portion)		2,07,900	-	-	**2,07,900**

Notes:

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

Mr. Umesh Revankar is appointed as the Managing Director and CEO of the Company for a period of 3 years with effect from October 26, 2016. His remuneration includes salary of Rs. 96,66,667, contribution to Provident Fund and NPS is Rs. 7,20,000 and Rs 6,00,000 respectively. The appointment may be terminated by giving three months' notice in writing or salary in lieu thereof. No severance fees are payable on termination of employment.

The Managing Director proposed to forego his annual increment in his salary for the Financial year 2020-21 and the variable pay in the light of COVID-19 led exigencies. His proposal was accepted by the NRC Committee. The annual increment of the Managing Director is decided by the NRC Committee and the Board of Directors based on the performance evaluation of the Managing Director. The performance of the Managing Director for the financial year ended 31st March 2020 was found as excellent by the Board of Directors.

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Terms of reference

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

The Committee in particular looks into:

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

During the year, the Committee met two times on May 08, 2019 and October 24, 2019. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Lakshminarayanan	Chairman	1
Mr. Umesh Revankar	Member	2
Mr. Pradeep Kumar Panja	Member	2

Note: Mr. Vivek Achwal, Company Secretary also acts as the Compliance Officer of the Company.

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

SECURITY HOLDERS COMPLAINTS:

Particulars	No. of Complaints		
	Equity	Fixed Deposit	Non-Convertible Debentures
Complaints pending as on April 1, 2019	1	Nil	Nil
Complaints received during the period April 01, 2019 to March 31,2020.	8	1	10
Complaints identified and reported under Regulation 13(3) of SEBI (LODR) Reg. 2015.	8	1	10
Complaints disposed of during the year ended March 31,2020.	9	1	10
Complaints unresolved as of March 31, 2020.	Nil	Nil	Nil

All the complaints received from investors were attended within 30 days. SEBI Complaints Redress System (SCORES) SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of online redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES within the stipulated period of receipt of the complaint. During the year, the Company received 16 investor complaints through SCORES, all of which were resolved within 30 days of their receipt.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Terms of reference

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

1. Formulating and recommending to the Board of Directors the CSR Policy and monitoring the same from time to time.
2. The Committee will review and evaluate the sustainability agenda, suggest modifications, discuss and recommend action plan to take the CSR activities forward.
3. CSR Committee will monitor the spend on CSR activities by the Company as well as ensure that the Company spends at least the minimum sum as may be prescribed from time to time pursuant to the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 or such higher sum as may be decided by the Board of Directors of the Company.
4. Review of Company's Business Responsibility Policy from time to time.
5. Approval of Business Responsibility Report for every financial year.
6. Any other matter as may be necessary for implementation of Business Responsibility Policy.

During the year under review, the Committee met three times on May 08, 2019 October 24, 2019 and January 28, 2020. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	3
Mr. S. Lakshminarayanan	Member	2
Mrs. Kishori Udeshi	Member	3
Mr. Puneet Bhatia	Member	1
Mr. Pradeep Kumar Panja	Member	3

RISK MANAGEMENT COMMITTEE

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

The terms of reference of the Risk Management Committee shall be as follows:

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

During the year under review, the Committee met four times on May 17, 2019, October 24, 2019 and January 28, 2020 and March 30, 2020. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	4
Mr. D. V. Ravi	Member	3
Mr. S. Sridhar (w.e.f October 24, 2019)	Member	3
Mr. S. Sunder	Member	3

ASSET LIABILITY MANAGEMENT COMMITTEE

Terms of reference

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

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

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

During the year under review, the Committee met four times on April 26, 2019, July 24, 2019, October 24, 2019 and February 03, 2020. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	4
Mrs. Kishori Udeshi	Member	3
Mr. Parag Sharma	Member	4

BANKING AND FINANCE COMMITTEE

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

Terms of reference

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

1. Opening, operating and closing of Bank Accounts.
2. Issuance of Non-Convertible Debentures/Subordinated Debentures on Private Placement basis.
3. Issuance of Commercial Paper.
4. Borrowing of money from Bank, Financial Institutions etc. and proving Bank Guarantee.
5. Securitization of receivables by way of sell down through PTC/ Direct Assignment.
6. Availing and giving Inter Corporate Deposit.
7. Availing Foreign Currency Term Loan, FCNR (B).
8. Investment of Surplus funds in Fixed Deposit for Short Term/ Mutual Funds etc.
9. Monitoring asset coverage of the loan and issuance of NOC and release of security.
10. Give confirmation to Bank in respect of loans availed through Acknowledgement of Debt.
11. Apply for any license/Affiliation for business purpose.
12. Entering into Service Provider Agreement for Electronic Toll collection programme.
13. To authorise official of the Company to appear on behalf of the Company before various regulatory and law enforcing authorities/government department/local administration or authority/market intermediaries under applicable laws, rules and regulations and submit documents undertaking, affidavits, papers etc.
14. To authorize official of the Company to sign various agreements in connection with purchase/sale registration of property etc.
15. Fixing Record Date for payment of monthly, half yearly and annual Interest and redemption of Debentures/Bonds/ Notes.
16. Revision in Terms and Conditions including interest rates of Fixed Deposit Scheme;
17. Availing 'Corporate Internet Banking', Payment & Collection Services, online viewing facility, E-commerce –payment gateway Merchant Account from Banks.
18. Authorization to procure Digital Signature Certificates from e Mudhra Limited/NSEIT Limited.
19. Authorization to create the Login ID with CERSAI (Central Registry of Securitisation Asset Reconstruction and Security Interest of India).
20. To give approval/authorization for the matters required for day to day management of the affairs of the Company.

The Committee meets regularly to discharge its functions. During the year under review, the Committee met 83 times. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	75
Mr. Parag Sharma	Member	79
Mr. S. Sunder	Member	77

IT Strategy Committee

Terms of reference

The terms of reference of the IT Strategy Committee shall include:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls,
6. Any other role and responsibility as per the directions of RBI issued from time to time.

During the year under review, the Committee met two times on July 08, 2019 and January 3, 2020. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	2
Mr. Umesh Revankar	Member	2
Mr. Gayadhar Behera	Member	2
Mr. Balasundar Rao	Member	2

GENERAL BODY MEETING

(i) Annual General Meeting (AGM):

Details of the last three Annual General Meetings (AGM) and Special Resolutions passed thereat are given below:

Year	AGM	Location	Date & Time	Details of Special Resolutions passed
2016-17	38th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	June 29, 2017 at 11.00 A.M	(i) To borrow monies for the purpose of the business of Company under Section 180(1)(c) and other applicable provisions, if any, of the Act, (ii) Creation of security in connection with borrowings under Section 180(1)(a) and other applicable provisions, if any, of the Act and (iii) Issue of Non-Convertible Debentures under Section 42 of the Act on private placement basis.
2017-18	39th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	July 26, 2018 at 11.00 A.M	There were no Special Resolutions passed at the 39th AGM.
2018-19	40th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	June 27, 2019 at 10.30 A.M	(i) To re-appoint Mr. S. Lakshminarayanan (DIN 02808698) as an Independent Director of the Company for a second term of five consecutive years commencing from January 24, 2020 to January 23, 2025 and (ii) To re-appoint Mr. S. Sridhar (DIN 00004272) as an Independent Director of the Company for a second term of five consecutive years commencing from October 20, 2019 to October 19, 2024.

At the ensuing 41st AGM to be held on Wednesday August 19, 2020, three special resolutions are proposed namely, (i) to enhance the limit to sell/ assign/ securitize receivables, (ii) to approve conversion of loan into equity or other capital of the Company in case of Event of Default and (iii) to authorize capital raising through issuance of Equity Shares and/or other Eligible Securities.

Postal Ballot

The Company had passed three special resolutions through postal ballot notice dated May 08, 2019 namely:

(i) Enhancement of limits of borrowing by the Board pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013,

(ii) Enhancement of limits for creation of security by the Board in connection with borrowing pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and

(iii) Renewal of limit to issue debentures on private placement basis by the Board pursuant to Section 42, Section 71 and other applicable provisions of the Companies Act, 2013.

The Board of Directors on May 08, 2019 had appointed Mr. P. Sriram (Membership No. FCS 4862), a Practicing Company Secretary (PCS No. 3310), Chennai as the scrutinizer to scrutinize the E-voting/Postal Ballot process in a fair and transparent manner. The results were declared on June 13, 2019. The details of voting pattern of the Special Resolution passed through Postal Ballot:

(i) Enhancement of limits of borrowing by the Board:

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	177518267	175380508	98.79	2137759	1.20
Votes cast through Physical Mode	17144	17144	0.01	0	0.00
Total	**177535411**	**175397652**	**98.80**	**2137759**	**1.20**

Special Resolution was passed by shareholders with requisite majority.

(ii) Enhancement of limits for creation of security by the Board in connection with borrowing:

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	177518267	175380507	98.79	2137760	1.20
Votes cast through Physical Mode	17144	17144	0.01	0	0.00
Total	**177535411**	**175397651**	**98.80**	**2137760**	**1.20**

Special Resolution was passed by shareholders with requisite majority.

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

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	177518267	175380506	98.79	2137761	1.20
Votes cast through Physical Mode	17769	17769	0.01	0	0.00
Total	**177536036**	**175398275**	**98.80**	**2137761**	**1.20**

Special Resolution was passed by shareholders with requisite majority.

The procedure for Postal Ballot /electronic voting (e-voting) for aforesaid special resolutions are mentioned in the said postal ballot notice.

SHARE CAPITAL AUDIT

The Share Capital Audit as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002 and SEBI Circular No. CIR/MRD/ DP/30/2010, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the reconciliation of share capital audit report thereon is submitted to the Stock Exchanges and to the Board of Directors.

CERTIFICATION BY MANAGING DIRECTOR AND CEO AND CHIEF FINANCIAL OFFICER

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

MEANS OF COMMUNICATION

The Board recognizes the importance of two-way communication with shareholders and giving a report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company follows a robust process of communicating with its investors the Audited financial results, the quarterly results and half yearly results of the Company are published in English (Business Standard) and Tamil newspaper (Makkal Kural). Press release is also given in the leading newspapers upto date financial results, press releases, quarterly investor updates/ presentations and presentations made to institutional investors, investors/earning conference calls or to the analysts, official news releases and other general information about the Company are also available on the Company's website https://bit.ly/39mGsPO The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board meetings at which these are considered and approved. Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form. The annual report and quarterly financial results has been sent in electronic form to shareholders, who have registered their email ids. In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for year ended March 31, 2020. Our Company does online filing with National Stock Exchange of India Ltd (NSE) and BSE Limited (BSE) through web based application: NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre.

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

The Board of Directors has approved a policy for determining materiality of events and a team comprising of Senior Managerial Personnel for the purpose of determining materiality of an event or information and making disclosures to Stock Exchanges.

GENERAL SHAREHOLDER INFORMATION

41ST Annual General Meeting

Particulars	**As on March 31, 2020**
a. Day and Date	Wednesday, August 19, 2020
b. Time	3.30 p.m. (IST)
c. Venue	The Company is conducting meeting through video conferencing(VC)/other audio visual means(OAVM)pursuant to the MCA circular. For details please refer to the Notice of 41st AGM.
d. Financial Year	2019-2020
e. Dividend Payment Date	An Interim Dividend of 50% was declared by the Board of Directors at its meeting held on October 24, 2019 and the payments thereof were effected on November 19, 2019. The Board of Directors have not recommended the final dividend as such, the interim dividend shall be the final dividend for the Financial Year 2019-20.
f. The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	**BSE Limited** P J Towers, Dalal Street, Mumbai – 400 001. **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051 The Company has paid the annual listing and custodian fees for the financial year 2020 – 2021 to the Stock Exchanges and Depositories.
g. Stock Code	
BSE Limited	511218
National Stock Exchange of India Limited	SRTRANSFIN
Singapore Exchange Securities Trading Limited	Masala Bonds (Regulation S)- XS1789364418 XS1789617484. USD Bonds - XS1953982086 (Regulation S), US825547AA08 (Rule 144A), USY7758EEC13 (Regulation S), Social Bonds - US825547AC63 (Rule 144A), USY7758EEF44 (Regulation S)
Demat ISIN in NSDL & CDSL	INE721A01013

The Company's Non-Convertible Debentures (NCDs) offered for subscription to public under the Prospectus dated September 23, 2013, Shelf Prospectus & Tranche I Prospectus both dated June 24, 2014, Shelf Prospectus dated June 22, 2018 in tranches vide Tranche I Prospectus dated June 25, 2018, Tranche II Prospectus dated October 8, 2018 Tranche III Prospectus dated December 27, 2018 , Shelf Prospectus dated July 09 ,2019 & Tranche I Prospectus dated July 12,2019 and Tranche II Prospectus dated December 26,2019 are listed on NSE and BSE. The ISIN details for these NCDs are as under:

Security Description	**ISIN**	**Codes in Stock Exchanges**	**Coupon (%) p.a.**	**Coupon Duration and Interest Payable**	**Date of Allotment**	**Maturity Dates**
NCDs 6 - September 2013						
Secured NCDs (Series III)	INE721A07GT7	BSE – 934917 NSE – Y3	($$) 10.75% p.a.	ANNUAL	24/10/2013	24/10/2020
Secured NCDs (Series VI)	INE721A07GW1	BSE – 934920 NSE – Y6	NA	(*@@@)	24/10/2013	24/10/2020

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
NCDs 7 - June 2014						
Secured NCDs (Series III)	INE721A07HJ6	BSE – 935132 NSE – Y9	(**) (@@) (~~) 10.15% p.a.	ANNUAL	15/07/2014	15/07/2021
Secured NCDs (Series V)	INE721A07HL2	BSE – 935136 NSE – YB	(**) (&&&) ($$$) (^^^) 9.71% p.a.	MONTHLY	15/07/2014	15/07/2021
Secured NCDs (Series VIII)	INE721A07HO6	BSE – 935142 NSE – YG	NA	(@###)	15/07/2014	15/07/2021
NCD 8 - Tranche 1 (June 2018)						
Secured NCDs (Series I)	INE721A07NT3	BSE - 936228 NSE – YH	(**) (AI##) 8.93% p. a.	MONTHLY	12/07/2018	12/07/2023
Secured NCDs (Series II)	INE721A07NU1	BSE - 936230 NSE – YI	(**) (AI##) 9.03% p. a.	MONTHLY	12/07/2018	12/07/2028
Secured NCDs (Series III)	INE721A07NV9	BSE - 936232 NSE – YJ	(**) (AI##) 9.10% p. a.	ANNUAL	12/07/2018	12/07/2021
Secured NCDs (Series IV)	INE721A07NW7	BSE - 936234 NSE – YK	(**) (AI##) 9.30% p. a.	ANNUAL	12/07/2018	12/07/2023
Secured NCDs (Series V)	INE721A07NX5	BSE - 936236 NSE – YL	(**) (AI##) 9.40% p. a.	ANNUAL	12/07/2018	12/07/2028
Secured NCDs (Series VI)	INE721A07NY3	BSE - 936238 NSE – YM	NA Cumulative	(*@#)	12/07/2018	12/07/2021
Secured NCDs (Series VII)	INE721A07NZ0	BSE - 936240 NSE – YN	NA Cumulative	(*@##)	12/07/2018	12/07/2023
NCD 8 - Tranche 2 (October 2018)						
Secured NCDs (Series I)	INE721A07OB9	BSE - 936324 NSE - YO	(**) 9.12% p. a.	MONTHLY	02/11/2018	02/11/2023
Secured NCDs (Series II)	INE721A07OC7	BSE - 936326 NSE - YP	(**) 9.30% p. a	MONTHLY	02/11/2018	02/11/2028
NCDs (Series III)	INE721A07OD5	BSE - 936328 NSE - YQ	(**) 9.40% p. a	ANNUAL	02/11/2018	02/11/2021
Secured NCDs (Series IV)	INE721A07OE3	BSE - 936330 NSE - YR	(**) 9.50% p. a	ANNUAL	02/11/2018	02/11/2023
Secured NCDs (Series V)	INE721A07OF0	BSE - 936332 NSE - YS	(**) 9.70% p. a	ANNUAL	02/11/2018	02/11/2028
Secured NCDs (Series VI)	INE721A07OG8	BSE - 936334 NSE - YT	NA Cumulative	(RM##) (SC****)	02/11/2018	02/11/2021
Secured NCDs (Series VII)	INE721A07OH6	BSE - 936336 NSE - YU	NA Cumulative	(RM##) (SC****)	02/11/2018	02/11/2023
NCD 8 - Tranche 3 (December 2018)						
Secured NCDs (Series I)	INE721A07OM6	BSE - 936452 NSE – YV	(**) 9.12% p.a.	MONTHLY	06/02/2019	06/02/2024
Secured NCDs (Series II)	INE721A07ON4	BSE - 936454 NSE – YW	(**) 9.30% p.a.	MONTHLY	06/02/2019	06/02/2029
Secured NCDs (Series III)	INE721A07OO2	BSE - 936456 NSE – YX	(**) 9.40% p. a.	ANNUAL	06/02/2019	06/02/2022
Secured NCDs (Series IV)	INE721A07OP9	BSE - 936458 NSE – YY	(**) 9.50% p. a.	ANNUAL	06/02/2019	06/02/2024
Secured NCDs (Series V)	INE721A07OQ7	BSE - 936460 NSE – YZ	(**) 9.70% p. a.	ANNUAL	06/02/2019	06/02/2029
Secured NCDs (Series VI)	INE721A07OR5	BSE - 936462 NSE - Z1	NA Cumulative	(RM##) (SC****)	06/02/2019	06/02/2022

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
Secured NCDs (Series VII)	INE721A07OS3	BSE - 936464 NSE - Z2	NA Cumulative	(RM##) (SC****)	06/02/2019	06/02/2024
NCD 9 - Tranche 1 (July 2019)						
Secured NCDs (Series I)	INE721A07OY1	BSE – 936780 NSE - Z3	(**) 9.12% p. a.	MONTHLY	22/08/2019	22/02/2023
Secured NCDs (Series II)	INE721A07OZ8	BSE – 936782 NSE – Z4	(**) 9.22% p.a.	MONTHLY	22/08/2019	22/08/2024
Secured NCDs (Series III)	INE721A07PA8	BSE – 936784 NSE – Z5	(**) 9.31% p.a.	MONTHLY	22/08/2019	22/08/2026
Secured NCDs (Series IV)	INE721A07PB6	BSE – 936786 NSE – Z6	(**) 9.30% p.a.	ANNUAL	22/08/2019	22/02/2022
Secured NCDs (Series V)	INE721A07PC4	BSE – 936788 NSE – Z7	(**) 9.50% p.a.	ANNUAL	22/08/2019	22/02/2023
Secured NCDs (Series VI)	INE721A07PD2	BSE – 936790 NSE – Z8	(**) 9.60% p.a.	ANNUAL	22/08/2019	22/08/2024
Secured NCDs (Series VII)	INE721A07PE0	BSE - 936792 NSE – Z9	(**)9.70% p.a.	ANNUAL	22/08/2019	22/08/2026
Secured NCDs (Series VIII)	INE721A07PF7	BSE - 936794 NSE - ZA	NA Cumulative	(RM%) (SC%)	22/08/2019	22/02/2023
Secured NCDs (Series IX)	INE721A07PG5	BSE – 936796 NSE – ZB	NA Cumulative	(RM%) (SC%)	22/08/2019	22/08/2024
Secured NCDs (Series X)	INE721A07PH3	BSE – 936798 NSE – ZC	NA Cumulative	(RM%) (SC%)	22/08/2019	22/08/2026
NCD 9 - Tranche 2 (December 2019)						
Secured NCDs (Series I)	INE721A07PI1	BSE – 937061 NSE – ZD	(**) 8.52% p. a.	MONTHLY	28/01/2020	28/01/2023
Secured NCDs (Series II)	INE721A07PJ9	BSE – 937063 NSE – ZE	(**) 8.66% p.a.	MONTHLY	28/01/2020	28/01/2025
Secured NCDs (Series III)	INE721A07PK7	BSE – 937065 NSE – ZF	(**) 8.75% p.a.	MONTHLY	28/01/2020	28/01/2027
Secured NCDs (Series IV)	INE721A07PL5	BSE – 937067 NSE – ZG	(**) 8.85% p.a.	ANNUAL	28/01/2020	28/01/2023
Secured NCDs (Series V)	INE721A07PM3	BSE – 937069 NSE – ZH	(**) 9.00% p.a.	ANNUAL	28/01/2020	28/01/2025
Secured NCDs (Series VI)	INE721A07PN1	BSE – 937071 NSE – ZI	(**) 9.10% p.a.	ANNUAL	28/01/2020	28/01/2027
Secured NCDs (Series VII)	INE721A07PO9	BSE – 937073 NSE – ZJ	NA Cumulative	(RM%%) (SC%%)	28/01/2020	28/01/2023
Secured NCDs (Series VIII)	INE721A07PP6	BSE – 937075 NSE – ZK	NA Cumulative	(RM%%) (SC%%)	28/01/2020	28/01/2025

Note:

1. ($$) – NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.00% per annum for NCDs held on any Record Date.
2. (*@@) - Subject to applicability of tax deducted at source the NCD Holders who are Individuals will be redeemed for an amount of Rs. 1,723.87 per NCDs and the NCD Holders who are Non-Individuals will be redeemed for an amount of Rs.1,666.63 per NCDs.
3. (*@@@) - Subject to applicability of tax deducted at source the NCD Holders who are Individuals will be redeemed for an amount of Rs.2,177.70 per NCDs and the NCD Holders who are Non-Individuals will be redeemed for an amount of Rs.2,044.79 per NCDs.
4. (~~) - NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.35% per annum for NCDs held on any Record Date for the amount outstanding.
5. (^^^) - NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.23% per annum for NCDs held on any Record Date for the amount outstanding and NCD Holders who are Non- Individuals on any Record Date the interest will be calculated on coupon @ 9.71% per annum for the amount outstanding.

6. (**) - Senior Citizens (only First Allottee) shall be entitled to an additional yield at the rate of 0.25 % per annum.
7. (@@) – subject to applicable tax deducted at source, if any.
8. (&&&) – For Series V, Senior citizens (only First Allottee) will get a coupon of 11.17% per annum payable monthly.
9. ($$$) – Monthly Option shall be available only to Individuals applying for Allotment of NCDs in demat form only.
10. (@###) - Subject to applicability of tax deducted at source the NCD Holders who are Individuals will be redeemed for an amount of Rs. 2,143.79 per NCDs, the NCD Holders who are Non-Individuals will be redeemed for an amount of Rs. 1,968.44 per NCDs and the NCD Holders who are Senior Citizens (only First Allottee) will be redeemed for an amount of Rs. 2,177.70 per NCDs at the end of the 84 months from the Date of Allotment.
11. (AI##) - Additional incentive of 0.10% available to Category III and IV investors provided the NCDs issued under the Tranche -1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.
12. (*@#) - For NCD Holders who fall under Category-I and / or Category II on the record date the amount payable on redemption for NCDs will be Rs.1,298.91 per NCD. For NCD holders who fall under Category III and / or Category IV on the record date the amount payable on redemption for NCDs will be Rs.1,302.49 per NCD.
13. (*@##)- For NCD Holders who fall under Category I and/or Category II on the record date the amount payable on redemption for NCDs will be Rs.1,560.30 per NCD. For NCD holders who fall under Category III and/or Category IV on the record date the amount payable on redemption for NCDs will be Rs. 1567.45 per NCD.
14. (SC****) - The amount payable on redemption to such Senior Citizens for NCDs under Series VI and Series VII is Rs. 1,318.67 and Rs. 1,592.70 per NCD respectively provided the NCDs issued under the NCD 8 Tranche 3 are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Payment date for Series VI and Series VII.
15. (RM##) - The amount payable on redemption for NCDs under Series - VI and Series - VII are Rs. 1309.66 per NCD and Rs.1,574.63 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VI and Series VII.
16. (RM%) - The amount payable on redemption for NCDs under Series - VIII , Series IX and Series X are Rs. 1,374.75 per NCD, Rs. 1,582.25 per NCD and Rs. 1,912.80 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VIII, Series IX and Series X.
17. (SC%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VIII, Series IX and Series X is Rs. 1,385.80 per NCD, Rs. 1,600.40 per NCD and Rs. 1,943.55 per NCD respectively provided the NCDs issued under the NCD 9 Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VIII, Series IX and Series X.
18. (RM%%) - The amount payable on redemption for NCDs under Series – VII and Series VII are Rs. 1289.99 per NCD and Rs. 1,539.35 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VII and Series VIII.
19. (SC%%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VII and Series VIII is Rs. 1,298.91 and Rs. 1,557.11 per NCD respectively provided the NCDs issued under the NCD 9 Tranche 2 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VII and Series VIII.

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

DIVIDEND DISTRIBUTION POLICY

The dividend distribution policy of the Company is enclosed. The same is also available on the website for Details click on web link **https://bit.ly/2WzNefE.**

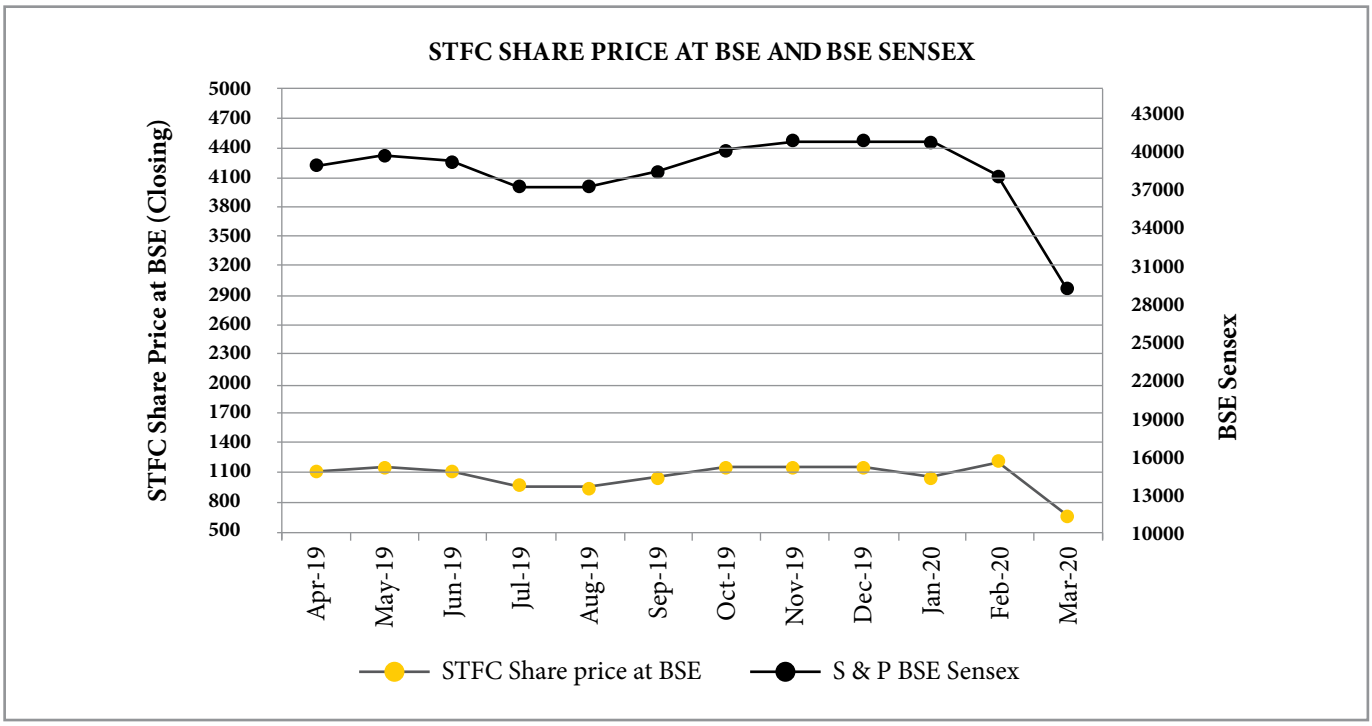
GENERAL SHAREHOLDER INFORMATION

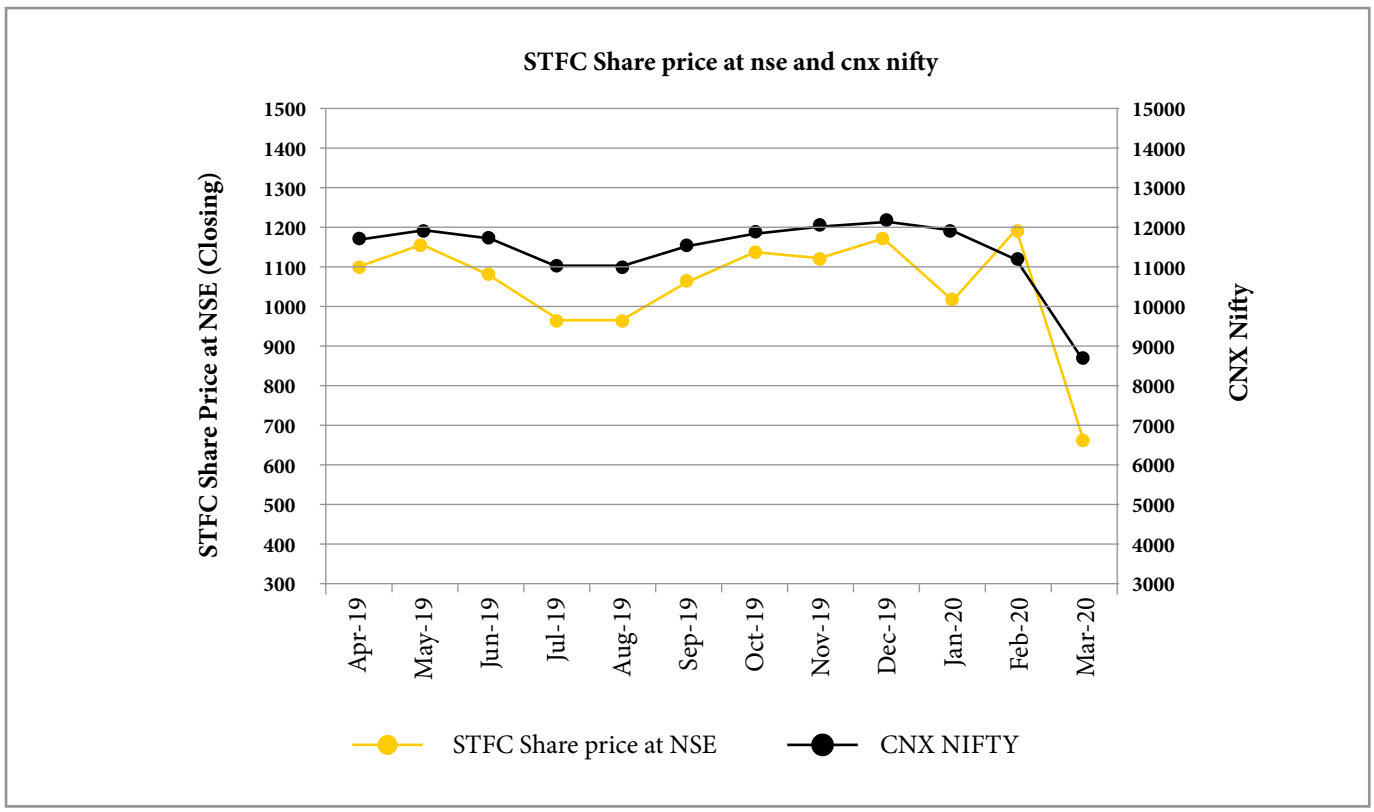
f. Stock Market

The high and low market price and volume of shares traded during each month of the financial year ended March 31, 20 20 are given below:

Months	BSE Limited			National Stock Exchange of India Limited		
	Share Prices		Volume	Share Prices		Volume
	High (Rs.)	Low (Rs.)	(No. of Shares)	High (Rs.)	Low (Rs.)	(No. of Shares)
April 2019	1287.00	1085.15	627501	1290.00	1086.00	18944981
May 2019	1217.30	981.35	1167581	1217.95	980.30	29347730
June 2019	1191.300	1006.25	3838035	1191.80	1000.00	70619243
July 2019	1104.65	909.25	1855622	1104.95	909.05	45718998
August 2019	1075.30	942.70	1484872	1065.00	942.50	26807603
September 2019	1199.45	936.05	927651	1199.65	935.80	21399207
October 2019	1188.65	1011.00	721611	1189.50	1009.10	20901875
November 2019	1182.30	1106.00	735406	1181.55	1105.15	16753881
December 2019	1189.35	1061.55	504819	1189.50	1062.00	16564855
January 2020	1213.60	1017.20	1024837	1213.40	1016.65	21868821
February 2020	1366.90	967.00	2664022	1367.00	965.55	57445932
March 2020	1328.00	440.00	3326201	1358.15	440.00	69950261

STFC Share Price performance in comparison to BSE Sensex and S & P CNX Nifty





g. No equity shares are suspended from trading during the Financial Year 2019 - 2020.

h. Registrar to an issue and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company are:

Integrated Registry Management Services Private Limited

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

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

Email: **anusha@integratedindia.in** Website: **www.integratedindia.in**

i. Note Trustee for Masala Bonds

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

(b) Axis Trustee Services Limited, The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai – 400028.

j. Share Transfer System:

The authority to approve share transfers has been delegated by the Board of Directors to the Securities Transfer Committee (STC). Shares sent for transfer in physical form are registered and returned by our Registrar & Share Transfer Agent in fifteen days of receipt of documents, provided the documents are found to be in order. The STC considers the transfer proposals generally on a weekly basis.

k. Distribution of shareholding as on March 31, 2020

Sr. No	No. of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1	1 - 500	52977	90.46	4285868	1.89
2	501 - 1000	3120	5.33	2309616	1.02
3	1001 - 2000	1104	1.89	1565894	0.69
4	2001 - 3000	325	0.56	803166	0.35
5	3001 - 4000	120	0.2	419399	0.18
6	4001 - 5000	105	0.18	476812	0.21
7	5001 - 10000	181	0.31	1306758	0.58
8	10001 and above	629	1.07	215715223	95.08
	Total	**58561**	**100**	**226882736**	**100**

l. Categories of shareholders as on March 31, 2020

Sr. No.	Category	Total	
		No.of Shares held	% of shareholding
1	Promoters *	59554984	26.25%
2	Bank	344	0.00%
3	Bodies Corporate	657296	0.29%
4	Foreign Portfolio Investor 1&2	146693422	64.66%
5	Clearing Member	979601	0.43%
6	Association of Persons	115	0.00%
7	Fi-Others	14639	0.01%
8	Limited Liability Partnership	44934	0.02%
9	Mutual Fund	3971231	1.75%
10	Fi-Government Sponsored	500000	0.22%
11	NRI	305241	0.13%
12	Resident Indian & HUF	11077882	4.87%
13	Trusts	398221	0.18%
14	NBFCs	110	0.00%
15	Insurance Company	1420553	0.63%
16	Unclaimed Securities Suspense	76690	0.03%
17	Alternate Investment Fund	221650	0.10%
18	IEPF Authority	965823	0.43%
	Grand Total	**226882736**	**100.00%**

*On June 27, 2019 and on June 28, 2019, our Promoter acquired an aggregate number of 331,924 Equity Shares in the Company and Shriram Financial Ventures (Chennai) Private Limited, a company forming part of the promoter group, acquired an aggregate number of 50,037 Equity Shares in the Company. Post such acquisition, SCL holds 59,504,947 Equity Shares in the Company aggregating 26.23% of the paid-up capital and Shriram Financial Ventures (Chennai) Private Limited holds 50,037 Equity Shares in the Company aggregating 0.02% of the paid-up capital.

m. Dematerialization of shares and liquidity

The Company's scrip forms part of the compulsory Demat segment for all investors effective from July 24, 2000. To facilitate the investors in having an easy access to the demat system, the Company has signed up with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through Integrated Registry Management Services Private Limited. As on March 31, 2020, the total of 224403752 equity shares constituting 98. 91 % of the paid up capital, have been dematerialized.

n. The Company has not issued any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity.

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

p. Locations

List of branches are mentioned in the "Our Reach" Section on page no. 7 in the Annual Report.

q. Address for correspondence & Registered Office:

Registered Office:

Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004, Tamil Nadu, India. Tel.: 91-44-24990356 Fax: 91-44-24993272

Corporate Office:

Wockhardt Towers, Level-3, West Wing, C-2, G-Block, Bandra- Kurla Complex, Bandra - (East), Mumbai - 400 051. Phone: 91-22 - 40959595, Fax: 91-22 - 40959597, Website: **www.stfc.in**

Email ID for Investor Grievance:

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

- For Equity Shares related queries/complaints: secretarial@stfc.in
- For Public Issue of Non-Convertible Debentures 2013- Prospectus related queries/complaints: **stfcncd6comp@stfc.in**
- For Public Issue of Non-Convertible Debentures 2014- Prospectus related queries/complaints: **stfcncd7comp@stfc.in**
- For Public Issue of Non-Convertible Debentures 2018 Shelf and Tranche 1 Prospectus- related queries/complaints: **stfcncd8comp@stfc.in**
- For Public Issue of Non-Convertible Debentures 2018 Tranche II Prospectus - related queries/complaints: **stfcncd8t2comp@stfc.in**

  For Public Issue of Non-Convertible Debentures 2018 Tranche III Prospectus- related queries/complaints: **stfcncd8t3comp@stfc.in**

  For Public Issue of Non-Convertible Debentures 2019 Tranche I Prospectus- related queries/complaints: **stfcncd9t1comp@stfc.in**

  For Public Issue of Non-Convertible Debentures 2019 Tranche II Prospectus- related queries/complaints: **stfcncd9t2comp@stfc.in**

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

r. The list of all credit ratings for all debt instruments, fixed deposit, masala bonds, U.S. Dollar senior secured notes for details refer page no. 22 in the Directors' Report.

s. Other Disclosures

(A) There are no materially significant Related Party Transactions (RPTs) with the Company's Promoters, Directors, Key Managerial Personnel or their relatives, which may have potential conflict with the interests of the Company at large. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been incorporated in the Notes to the Accounts. The statement of RPTs is placed before the Audit Committee and the Board on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. The Policy on Materiality of RPTs and dealing with RPTs as approved by the Board is uploaded on the Company's website at the web link : **https://bit.ly/2CIhkGS**

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission to Independent Directors. The details of the transactions with Related Party are provided in the notes to the Financial Statements.

(B) There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years.

(C) The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link of **https://bit.ly/3eH0jde**

(D) Details of compliance with Mandatory requirements and adoption of non-mandatory requirements

1. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
2. The Company has also adopted the non-mandatory requirement as specified in the Listing Regulations regarding unmodified Financial Statements, separate posts of Chairperson and Chief Executive Officer and Reporting of Internal Auditor.

(E) The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. However, the Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website at the web link: **https://bit.ly/2WAS5xo**

(F) The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of **https://bit.ly/2ZG5g20**

(G) The disclosure of commodity price risks and commodity hedging activities: Not applicable.

(H) The Company has not raised funds through preferential allotment or qualified institutions placement under Regulation 32(7A).

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

(J) In the financial year 2019 - 2020 the board has accepted all recommendations of its committees.

(K) The Company has paid all fees on a consolidated basis for all services rendered by statutory auditor.

The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditors is a part, are as follows -

Particulars	Amount (Rs. in Lacs)
Statutory Audit Fees	88.00
Tax Audit Fees	9.00
Others	96.47(*)
Total	**196.47**

(*)Including 50% GST portion

(L) The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for details refer Directors' Report.

(M) The Company has complied all the requirement of corporate governance report as contained in Clause C (2) to (10) of Schedule V read with Regulation 34(3) of Listing Regulations.

(N) The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director & CEO. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link of **https://bit.ly/32Ay3qD**

t. Equity Shares in the Suspense Account

As required under Schedule V of Listing Regulations. The Company has opened "STFC – Unclaimed Suspense Account" with the Depository Participants for the purpose of transferring unclaimed equity shares held in physical form. The Company will transfer the shares lying unclaimed to the eligible shareholders as and when the request for the same has been received after proper verification. As on March 31, 2020 there were 76690 unclaimed equity shares in the Unclaimed Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on April 01, 2019.	277	88570
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account, for the period from April 01, 2019 to March 31, 2020.	13	5630
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents, for the period from April 01, 2019 to March 31, 2020.	13	5630
Number of Shareholders / legal heirs of whom the shares were transferred from the Unclaimed Suspense Account to Investor Education and Protection Fund Authority pursuant to the Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs (MCA), April 01, 2019 to March 31, 2020.	20	6250
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2020.	244	76690

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

DIVIDEND DISTRIBUTION POLICY

Preamble

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

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

This policy also stipulates the process for recommendation/ declaration of dividend and its pay-out by the Company in accordance with the provisions of the Companies Act,2013 (the Companies Act) and other rules, regulations etc. as applicable to the Company.

Class of Shares

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

Category of Dividends

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

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

Recommendation / Declaration of Dividend

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

i. Current financial year's profit:
   a) after providing for depreciation in accordance with law;
   b) after transferring to reserves such amount as may be prescribed under the Companies Act or applicable law, regulations, norms or as may be otherwise considered appropriate by the Board at its discretion.

ii. The profits for any previous financial year(s):
   a) after providing for depreciation in accordance with law;
   b) remaining undistributed; or

iii. out of (i) &(ii) both.
iv. out of free reserves in the manner permissible under the Companies Act.

Factors to be considered while declaring Dividend

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

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

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

External Factors:-

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

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

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

Internal Factors:-

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

i) Profits earned during the year;
ii) Present and future capital requirements of the existing businesses; / capital expenditures and the Company's debt position
iii) Business Acquisitions opportunities;
iv) Expansion/ Modernization of existing businesses; / growth opportunities available to the Company
v) Additional investments in subsidiaries/associates of the Company;
vi) Fresh investments into external businesses;
vii) Cash flow from operations
viii) Cost of raising funds
ix) Providing for unforeseen events and contingencies with financial implication.

Any other factor as deemed fit by the Board.

Process for approval of Payment of Interim and Final Dividend

- The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.
- The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.
- The Company will fix Record date for the purpose of determination for list of shareholders eligible to receive dividend.
- The Company shall recommend or declare dividend at least 5 working days (excluding the date of intimation and the record date) before the record date is fixed for the purpose.
- The intimation for fixing Record date shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).

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

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

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

Utilisation of Retained Earnings

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

Review

This policy is in accordance with SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated 08th July, 2016. The same will be reviewed by the Board periodically for additions, deletions, changes or alterations in the parameters, process of recommendation/ declaration/ pay-out of dividend considered in the policy and in line with changes in regulations as applicable to the Company.

ANNEXURE A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Shriram Transport Finance Company Limited
Mookambika Complex, 3rd floor,
No. 4, Lady Desika Road,
Mylapore, Chennai – 600004

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Shriram Transport Finance Company Limited** having CIN L65191TN1979PLC007874 and having registered office at Mookambika Complex, 3rd floor, No. 4, Lady Desika Road, Mylapore, Chennai – 600004 (hereinafter referred to as 'the Company'), produced before us by the Company in electronic mode, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. No physical verification of any document / record was possible due to the current nationwide lockdown owing to the outbreak of COVID-19 pandemic.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Lakshminarayanan Subramanian	02808698	22/09/2009
2.	Umesh Govind Revankar	00141189	25/10/2016
3.	Kishori Jayendra Udeshi	01344073	30/10/2012
4.	Srinivasan Sridhar	00004272	20/10/2014
5.	Puneet Bhatia	00143973	26/10/2006
6.	Ravi Devaki Venkataraman	00171603	18/06/2015
7.	Panja Pradeep Kumar	03614568	25/10/2018
8.	Ignatius Michael Viljoen	08452443	08/05/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Martinho Ferrao & Associates
Company Secretaries

Martinho Ferrao
Proprietor
F.C.S. No. 6221
C.P. No. 5676
UDIN: F006221B000295675

Mumbai
May 28, 2020

CEO/CFO CERTIFICATION

To,

The Board of Directors of Shriram Transport Finance Company Limited

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

A. We have reviewed financial statements and the cash flow statements for the year ended March 31, 2020 and that to the best of our knowledge and belief;

   1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;

1) there were no significant changes in internal controls over financial reporting during the year;

2) there are no significant changes in accounting policies during the year, and

3) there were no instances of significant fraud of which we are become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

UMESH REVANKAR
Managing Director & CEO

PARAG SHARMA
Executive Director & CFO

Mumbai
June 10, 2020

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

The Board of Directors of Shriram Transport Finance Company Limited at its Meeting held on January 29, 2005 adopted Code of Conduct as amended on October 27, 2010 to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the Regulation 17(5) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations,2015 with the Stock Exchanges where the shares of the Company are listed.

As per Regulation 17(5) and Regulation 26(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations,2015 executed with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2020.

UMESH REVANKAR
Managing Director & CEO

Mumbai
June 10, 2020

BUSINESS RESPONSIBILITY

REPORT 2019- 2020

SECTION A

GENERAL INFORMATION

SR. NO.	PARTICULARS	DETAILS
1	Corporate Identity Number (CIN) of the Company	L65191TN1979PLC007874
2	Name of the Company	Shriram Transport Finance Company Limited ("the Company")
3	Registered address	Mookambika Complex, 3rd Road, Mylapore, Chennai, Tamil Nadu – 600004. Tel No: +91 44 2499 0356 Fax: +91 44 2499 3272.
4	Website	**www.stfc.in**
5	Email id	vivekmadhukar.a@stfc.in
6	Financial year reported	2019-2020
7	Sector(s) that the Company is engaged in (industial activity code-wise)	NIC code of the products/ services: 64920 – other credit granting. The Company holds a certificate of registration dated April 17, 2007 bearing registration no. 07-00459 issued by the Reserve Bank of India to carry on the activities of a non-banking financial company.
8	Three key products/ services of the Company (as in balance sheet)	Financing of heavy, medium and light commercial vehicles and passenger vehicles.
9	Number of locations	(i) International : Nil (ii) National : 1758 Branches
10	Markets served by the Company -Local/State/ National/International	Financing of pre-owned and new commercial vehicle throughout the country.

SECTION B

FINANCIAL DETAILS OF THE COMPANY

SR. NO.	PARTICULARS	AMOUNT (Rs. In crores)
1	Paid up Capital	226.88
2	Total Turnover	**16,582.63**
3	Total profit after taxes	2,501.84
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.12%
5	List of Activities in which expenditure in above point 4 has been incurred: Please refer Annexure – I (Report on CSR Activities)	

SECTION C

OTHER DETAILS

SR. NO.	PARTICULARS	DETAILS
1	Company subsidiary as on March 31, 2020	Nil
2	Subsidiaries participating in Company's BR initiatives	NA
3	Other entities (e.g. suppliers, distributors etc.) participating in Company's BR initiatives	NA

SECTION D

BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

SR. NO.	PARTICULARS	DETAILS
1.	DIN	**00141189**
2	Name	Mr. Umesh Revankar
3	Designation	Managing Director & CEO

b. Details of BR head

SR. NO.	PARTICULARS	DETAILS
1	DIN (if applicable)	Not Applicable
2	Name	Mr. S. Sunder
3	Designation	Executive Director – Accounts & Administration
4	Telephone number	91-022-40959595
5	E-mail id	secretarial@stfc.in

2. Principle-wise (as per NVGs) BR Policy/Policies(Reply in Y/N)

(a) Details of Compliance (Reply in Y/N)

Sr. No	Questions	Ethics, transparency and	Product safety	Well-being of employees	Stakeholders engageme	Human rights	Environment policy	Public and regulatory policy	Inclusive growth	Value to customers and consumers
		P 1	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	N	Y	Y	N	Y	N	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	**Indicate the link for the policy to be viewed online?**	(i) The Code of conduct of the Company is available at **https://bit.ly/32Ay3qD**								
		(ii) The Whistle Blower Policy / Vigil Mechanism of the Company is available at **https://bit.ly/30lsOs5**								
		(iii) The Fair practice code of the Company is available at **https://bit.ly/32yMiMn**								
		(iv) Corporate Social Responsibility Policy **https://bit.ly/2B9TV0w**								
		Note: The remaining policies of the Company are internal documents and are not accessible to the public.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at Sr.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	---	---	---	---	---	---	---	---	---
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	---	---	---	---	---	---	---	---	---
3	The company does not have financial or manpower resources available for the task	---	---	---	---	---	---	---	---	---
4	It is planned to be done within next 6 months	---	---	---	---	---	---	---	---	---
5	It is planned to be done within the next 1 year	---	---	---	---	---	---	---	---	---
6	Any other reason (please specify)	---	---	---	---	---	---	---	---	---

3. Governance related to BR

The Business Responsibility Performence is Being Monitored by the Board of Directors of the Company. The Company has been publishing the Business Responsibility (BR) Report annually.

SECTION E

PRINCIPLE-WISE PERFORMANCE

Ethics of The Company

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability:

Our philosophy on Corporate Governance, inter alia, is aimed at enhancing long term shareholder value, achieving transparency and professionalism in all decisions and activities of the Company and achieving excellence in corporate governance.

The Company considers Corporate Governance as an integral part of good management. We have developed good governance structure for our organization and formulated procedures and practices that ensure ethical conduct at all levels of the organization. We continuously review and upgrade the procedures and practices. We maintain transparency in our communication with our investors. We have put in place a mechanism for resolution of their grievances. We have Whistle Blower Policy/Vigil Mechanism in place. We do not engage in any practice that is abusive, corrupt or anti-competition. We have avoided complicity with actions of third party that violates Business Responsibility Principles. All members of the Board of Directors and Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis.

We conducted programs to familiarize the directors with changes in regulatory and business environment. We have deployed the practice of separating the roles of the Chairman of the Board and the CEO to ensure the right focus to governance. The Chairman of the Board is Non-executive Independent Director. Our Directors have reviewed its own performance, the performance of Individual Directors, functioning of the Board and its Committees, based on the criteria formulated by the Nomination and Remuneration Committee. During the process, the Board also reviewed the Corporate Governance Practices, ethical standards in the Company.

CONTRIBUTION TO SUSTAINABILITY

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

We are engaged in the business of financing of commercial vehicles. Our focus is on financing pre-owned commercial vehicle generally up to 10 years old. In this process we check authorization /certificates for safety, fitness and emission of the vehicle. Our various initiatives are aimed at influencing our customers for creating awareness about environment protection, reducing impact of emissions from on-road vehicles on the environment. We make appeal to our customers for timely maintenance of the vehicles. We give loans to them for replacement of tyres and engine parts. Our Drivers' training program provides training primarily to unemployed/low income youths from rural and urban areas for driving of commercial/passenger vehicles.We have also initiated various programs for unskilled drivers such as refresher driver training program,to ensure defensive driving,digital and financial literacy,preventive health check up and evaluation of drivers training through Automotive Skills Development Council (ASDC) certifying the completion of advance driver training program. The training includes holistic development of drivers from technical skills to soft skills. The objective of this initiative in turn is to transform the entire driver employment skill segment to a well-managed professionally empowered skill segment.

EMPLOYEES WELL-BEING

Principle 3: Business should promote wellbeing of all employees

We believe that our employees are our most valuable asset and greatest strength. We provide equal opportunity to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language, disability or sexual orientation. Our employees belong to all parts of the country and are selected based on individual merit without any discrimination or preference. Several female employees of the Company have reached senior positions in the organization and are involved in the decision making process. Free medical checkup camps and yoga sessions are conducted on an ongoing basis in order to promote health consciousness among the employees. Our relationship with employees continues to be cordial. We do not have any trade union or employee association. Our employees have free access to the management to express their views and suggestions. The management and staff has a mutual faith and trust. We provide Group Medical/ Accident/Life Insurance policy to all employees and loan facility extended to the permanent employees of the Company. We have "Shri Guru" a chatbot facility to employees wherein employees can raise any queries in respect of the Companys' products and process involved. As a part of learning initiative Company endeavours to keep upgrading the skillsets of our employees. In line with our quest for excellence, we have introduced the Mycoach E-Learning Platform. This e-learning platform helps our employees enhance their expertise and knowledge on products and processes. We also offer the Mybook and Quiz Platforms as additional tools to upgrade their understanding. The Company has also launched monthly newsletter "ShriConnect" yet another initiative to communicate employees internally on various Company initiatives and industry related updates.We have launched "Employee Rewards Program aimed to bring more employee participation in talent building exercises and to recognize the outstanding contributions of every individual employee. The employees will be rewarded with reward points on the basis of few predefined parameters.

We have systems in place to inculcate high performance culture in the organization. We organize periodically the training programmes for upgrading functional and soft skills of employees. The employees who have successfully completed the Management Education Program are acting as mentor providing on the job training and guidance to their colleagues. We look forward to percolate this process throughout the organization. In order to ensure healthy working conditions and prevent sexual harassment of women employees, we have constituted Internal Complaint Committees at various places. The Committees are chaired by woman employees of the Company.

During lockdown period caused by COVID-19 pandemic, refresher training was imparted to employees which also included educating them on safety precaution and standard operating procedures. For more details on employee training please refer Management Discussion and Analysis report.

STAKEHOLDERS ENGAGEMENT

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

We had already developed "MYSHRIRAM" app for enabling customers to transact all their business requirements through digitally. We are also providing the 'FAST TAG' re-charge facility to all customers which helps them to pay toll charges digitally. We also supplied POS machines to all the branches for enabling debit card swiping. We have also provided "KIOSKS" facility at selected branches for customers to transact during closing hours of branch offices. Our customers can directly remit into the account at the bank branches against their loan account and Company has provided the facility to transfer the amount through electronic mode. The Company has launched monthly newsletter titled as "Shrisandesh", yet another initiative to communicate all customers on various initiatives of the Company and industry related updates. This newsletter is being sent to all customers through SMS and email.

Our Fair Practice Code provides mechanism for redressal of customer complaints. Our policy is to treat all customers in fair manner. Our entire recovery and collection operation is administered in-house and we do not outsource loan recovery and collection operations. We have relationship based recovery procedures well-suited to our target market in the commercial vehicle financing industry. We are regular in payment of interest and repayment of credit facilities availed from Banks and Financial Institutions. We enjoy good reputation, goodwill and standing in the financial markets. Our good track record has enabled us to obtain good credit ratings from the reputed Credit Rating Institutions. This enables smooth raising of funds from investors. We continue to service our Fixed Deposit holders on time and offer higher interest rate to senior citizens. We make periodical follow up with our investors requesting them to collect their unpaid dividend, interest, redemption/maturity proceeds of Fixed Deposits and Debentures etc. We have made appeal to them to update their database and to register email ids with us for faster communication and prompt service. Our Company has a good dividend track report and has consistently declared dividends for the past several years.

HUMAN RIGHTS

Principle 5: Businesses should respect and promote human rights

As a good corporate citizen we respect the human rights of those who we engage with. We pay fair wages to our employees and do not discriminate between male and female employees. They are treated equally with dignity and are given equal opportunities, rights and benefits. We comply and adhere to all the human rights laws and guidelines. We strive to percolate these values at all levels in the organization. We provide scholarship to students from weaker sections of the society. We do organise medical camps for the socio economically weaker sections of the society through mobile medical units and OPD clinics.

ENVIRONMENT

Principle 6: Business should respect, protect and make efforts to restore the environment

We continue to create awareness about environment protection among employees and customers through our environment policy. .We encourage our customers to replace their old age vehicles with younger age vehicles and thus works for its contribution to Environment. In the process of loan disbursement we check fitness certificate of the financed vehicle for safe driving. The loan vehicles are insured and the insurance policy is renewed regularly. We educate our customers to obtain proper PUC certificate and renew it periodically. We provide financial assistance to the borrowers for replacement of tyres, engine parts etc. which enables timely maintenance of loan vehicles, safe driving, reducing accidents and pollution. We have aligned our loan disbursement policy with the applicable environmental policies.

We are continuously making appeal to our shareholders to participate in the 'Green initiative' to reduce use of paper by receiving soft copies of annual reports using internet facilities, receiving dividend by direct credit to their bank accounts instead of physical dividend warrants etc..For payment of Interest, dividend, maturity amount of debentures and fixed deposits etc. as far as possible we use methods of electronic remittances such as NECS, NEFT, RTGS which also ensures faster credit of money to the bank accounts of the investors, avoids use of paper for dividend / interest warrants, and atpar cheques. Our objective is to achieve highest level of paperless office by adopting practices, methods and modern techniques in our internal and external communication with all stakeholders.

INFLUENCING PUBLIC & REGULATORY POLICIES

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

We take up the issues and matters impacting our business segment and give our suggestions in respect of the proposals of the regulatory and government bodies directly as well as through chambers of commerce and industrial associations in the best interest of the commercial vehicle financing segment of the Industry and Small Road Transport Operators.

INCLUSIVE GROWTH

Principle 8: Businesses should support inclusive growth and equitable development

We cater to the financing needs of Small Road Transport Operators (SRTOs) and First Time Buyers (FTBs) generally belonging to the weaker sections of the society all over the country. In order to provide financial assistance for purchase of vehicles in the regions where banking services are not easily available, we have opened several rural centers catering to their needs. We promote the 'financial inclusion' which is the focus point of all welfare initiatives of the government. We provide finance to these pre-owned commercial vehicle operators at favorable interest rates and repayment terms as compared to private financiers in the unorganized sector.

VALUE OF CUSTOMERS

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

We have track record of loyal customers who have achieved advancement, progress, growth of their business through long term relationship with us. We create value by providing products and services to our customers' need and aim to do so in a way that fits seamlessly into their lives This helps us to build long-lasting relationships with our customers .We effectively implement the Fair Practice Code for redressal of customer grievances. Apart from providing loans, we help our customers with settlement of insurance claims, renewal of insurance policy, obtaining of permits from RTOs, tie-up with service centers for refurbishing vehicles. The Company has entered into agreement with fuel marketing companies viz. HPCL and BPCL enabling customers to purchase fuel on credit from nation-wide network of dealers of HPCL and BPCL. We have entered into arrangements with vendors for providing credit facilities to Company's customers for tyre replacements. The Company also provides working capital for road tax,engine repairs/replacement of parts of the vehicles financed by the Company.We also sponsor activities for welfare of customers and their families. We work for growth of our customers and we focus on mutual faith and trust with our customers. We have entered into memorandum of understanding with Indian Oil Corporation Ltd (IOCL) to enable our customers to have an efficient way of purchasing auto fuels like diesel,petrol,lubricants on credit through wide network of IOCL.

BUSINESS RESPONSIBILTY PARAMETER INDEX

Principle-Wise Performance

	Principle 1	
1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	Yes it covers only the Company.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil
	Principle 2	
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company is not engaged in manufacture of any goods. It is engaged in the business of financing of pre-owned and new commercial vehicles.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable
3	Does the company have procedures in place for sustainable sourcing (including transportation)? a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company provides services relating to vehicle financing through its branches and rural service centers. As a matter of practice, we give preference for recruitment of local persons in our branches.
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	Not Applicable
	Principle 3	
1	Please indicate the Total number of employees.	28045
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Not Applicable
3	Please indicate the Number of permanent women employees	1326
4	Please indicate the Number of permanent employees with disabilities	22
5	Do you have an employee association that is recognized by management	No
6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable

7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	
	Child labour/forced labour/involuntary labour	NIL
	Sexual harassment	NIL
	Discriminatory employment	NIL
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	42.70% employees were given safety and skill training programmes in the last year
	(a) Permanent Employees	41.20%
	(b) Permanent Women Employees	1.5%
	(c) Casual/Temporary/Contractual Employees	-
	(d) Employees with Disabilities	-

Principle 4

1	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes, please refer to the Principle 4 of the Report

Principle 5

1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?	Yes, the policy extends only to the Company.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint was received for human rights violation during the last financial year.

Principle 6

1	Does the policy related to Principle 6 cover only the company or extends to the Group /Joint Ventures/ Suppliers/ Contractors /NGOs / others.	Yes, the policy extends only to the Company.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes we have environment policy in place. We have taken green initiative through paperless office etc.
3	Does the company identify and assess potential environmental risks? Y/N	No
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	No

6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not Applicable.
7	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, we are member of Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) and various other state/ city level associations.
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, Governance and Administration

Principle 8

1	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, please refer to the Principle 8 of the Report
2	Are the programmes/projects undertaken through in-house team / own foundation/external NGO/ government structures/any other organization?	Yes, the projects are undertaken through coordination and collaboration between in-house team and external NGOs.
3	Have you done any impact assessment of your initiative	No
4	What is your Companys' Direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Yes, please refer to the Section B of the Report
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	Yes,we actively encourage participation of stakeholders in various programmes. This includes both volunteering and proactive participation.

Principle 9

1	What percentages of customer complaints / consumer cases are pending as on the end of financial year?	1.35% Customer complaints are pending as on the end of financial year.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Not Applicable
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	No

SECRETARIAL COMPLIANCE REPORT OF SHRIRAM TRANSPORT FINANCE COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2020

I, P. Sriram, Proprietor of P. Sriram & Associates have examined:

(a) All the documents and records made available to us and explanation provided by Shriram Transport Finance Company Limited ("the listed entity"),

(b) The filings/ submissions made by the listed entity to the stock exchanges,

(c) Website of the listed entity,

(d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of:

  (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

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

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

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (Not Applicable to the company during the review period);

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the company during the review period);

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013(Not Applicable to the company during the review period);

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(j) Securities and Exchange Board of India (Depositories and Participant) Regulations,2018; and based on the above examination, I hereby report that, during the Review Period:

  (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	NIL	NIL	NIL

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges *(including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	**Action taken by**	**Details of violation**	**Details of action taken E.g. fines, warning letter, debarment, etc.**	**Observations/ remarks of the Practicing Company Secretary, if any.**
NIL	NIL	NIL	NIL	NIL

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	**Observations of the Practicing Company Secretary in the previous reports**	**Observations made in the secretarial compliance report for the year ended… (The years are to be mentioned)**	**Actions taken by the listed entity, if any**	**Comments of the Practicing Company Secretary on the actions taken by the listed entity**
NIL	NIL	NIL	NIL	NIL

For P. Sriram & Associates

Sriram Parthasarathy
FCS No.: 4862
C P No.: 3310
UDIN : F004862B000333971

Chennai
June 11, 2020

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

FINANCIAL SECTION

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To the Members of
Shriram Transport Finance Company Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Shriram Transport Finance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment Loss Allowance of loans and advances

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the potential impact of unprecedented COVID 19 pandemic on asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modeled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

Audit Procedures included but were not limited to the following:

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

We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with Ind AS 109 "Financial Instruments". Particularly we assessed the approach of the Company regarding definition of Default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.

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

- We tested the reliability of key data inputs and related management controls;
- We checked the stage classification as at the balance sheet date as per the definition of Default of the Company;

- We validated the ECL Model and its calculation by involving our Information Technology Expert;
- We have also calculated the ECL provision manually for selected samples; and
- We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range.
- We have reviewed the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the Reserve Bank of India (RBI). Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases where moratorium is provided and not provided in accordance with RBI COVID-19 Regulatory Package;
- With respect to additional provision made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company and.
- We have checked the provision on Loan Assets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI dated March 27, 2020 and May 23, 2020 and RBI circular dated April 17, 2020.

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

Emphasis of Matter

We draw attention to Note 62 to the standalone financial statements which describes the classification of accounts as on March 31, 2020 with respect to the accounts which were overdue but standard as on February 29, 2020 and to whom moratorium benefit has been granted. The staging of those accounts under Ind AS as on March 31, 2020 is based on the days past due status as on February 29, 2020 in accordance with the Reserve Bank of India COVID-19 regulatory package. Further, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance(including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

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

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

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

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

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 49 on Contingent Liabilities to the standalone financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the standalone financial statements;

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

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

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAACL9811

Place: Mumbai
Date: June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
UDIN: 20064225AAAAAX2386

Place: Gurugram
Date: June 10, 2020

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Shriram Transport Finance Company Limited on the standalone financial statements for the year ended March 31, 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) Based on the examination of the registered sale deed/transfer deed and other relevant records evidencing title / possession provided to us, we report that, the title deeds of all the immovable properties comprising of land and buildings which are freehold other than self constructed assets included in Property, Plant and Equipment, are held in the name of the Company as at the balance sheet date.

(ii) The Company is in the business of providing services and does not have any inventory. Accordingly, clause 3(ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of sections 185 and 186(1) of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable. Further, the provisions of section 186, except for section 186(1), of the Act are not applicable to the Company as it is engaged in the business of financing.

(v) In our opinion, the Company has complied with the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and the rules framed there under with regard to the acceptance of deposits. Further, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), cess and any other material statutory dues applicable to it. As informed, provisions of Custom Duty are not applicable to the Company. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

(b) No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) As informed, the provisions of customs duty and excise duty is not applicable to the Company. The dues outstanding with respect to, income tax, sales tax, service tax, value added tax and GST on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax demands	13.44	A.Y. 2017-18	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	26.10	A.Y. 2016-17	Assessing Officer
Income Tax Act,1961	Income Tax demands	5.46	A.Y. 2014-15	Madras High Court
Income Tax Act,1961	Income Tax demands	5.79	A.Y. 2014-15	Assessing Officer
Income Tax Act,1961	Income Tax demands	1.80	A.Y. 2014-15	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	1.53	A.Y. 2013-14	Madras High Court
Income Tax Act,1961	Income Tax demands	5.02	A.Y. 2013-14	Assessing Officer

ANNEXURE 1

TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Name of the statute	Nature of dues	Amount (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax demands	0.47	A.Y. 2012-13	Madras High Court
Income Tax Act,1961	Income Tax demands	5.27	A.Y. 2012-13	Assessing Officer
Income Tax Act,1961	Income Tax demands	10.00	A.Y. 2011-12	Assessing Officer
Income Tax Act,1961	Income Tax demands	9.21	A.Y. 2010-11	Assessing Officer
Income Tax Act,1961	Income Tax demands	10.26	A.Y. 2009-10	Madras High Court
Income Tax Act,1961	Income Tax demands	1.84	A.Y. 2008-09	Madras High Court
Income Tax Act,1961	Income Tax demands	0.27	A.Y. 2007-08	Madras High Court
Income Tax Act,1961	Income Tax demands	0.08	A.Y. 2006-07	Assessing Officer
Finance Act, 1994 (Service tax)	Service tax on hire purchase and lease transaction	212.30	F.Y. 2003-04 to 2009-10	CESTAT (Custom, Excise and Service tax appellate tribunal)
Finance Act, 1994 (Service tax)	Service tax demand on securitisation collection commission	192.88	F.Y. 2008-09 to 2014-2015	CESTAT (Custom, Excise and Service tax appellate tribunal)
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2005-06	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2006-07	Deputy Commissioner of Sales Tax - Appeals – Mumbai
Maharashtra Value Added Tax	Value added tax	5.40	F.Y. 2007-08 to 2013-14	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax	Value added tax	0.79	F.Y. 2014-15	Joint Commissioner of Sales tax
Maharashtra Value Added Tax	Value added tax	0.21	F.Y. 2012-13 to 2013-14	Deputy Commissioner of Sales Tax - Appeals - Mumbai
Maharashtra Value Added Tax	Value added tax	0.01	F.Y. 2014-15	Joint Commissioner of Sales tax
Maharashtra Value Added Tax	Value added tax	0.02	F.Y. 2015-16	Joint Commissioner of Sales tax
Maharashtra Value Added Tax	Value added tax	0.29	F.Y. 2016-17	Joint Commissioner of Sales tax
Andhra Pradesh Value Added Tax	Value added tax	3.48	F.Y. 2005-06 to 2008-09	High court of Telangana
Andhra Pradesh Value Added Tax	Value added tax	3.27	F.Y 2009-10 to 2010-11 and 1st April 2011 to 31st August 2012	High court of Telangana
Andhra Pradesh Value Added Tax	Value added tax	0.12	F.Y. 2010-11 to 2012-13	High court of Telangana
Rajasthan Value Added Tax	Value added tax	1.16	F.Y. 2006-07 to 2011-12	High Court of Rajasthan
Rajasthan Value Added Tax	Value added tax	1.59	F.Y. 2012-13 to 2015-16 And 1st April, 2016 to 4th Nov 2016	Rajasthan Tax Tribunal, Ajmer

Name of the statute	Nature of dues	Amount (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Karnataka Value Added Tax	Value added tax	8.07	F.Y. 2010-11 to 2016-17	High court of Karnataka
Orissa Value Added Tax	Value added tax	0.09	F.Y. 2008-09 to 2012-13	Orissa Tax Tribunal
Telangana Value Added Tax	Value added tax	9.81	F.Y. 2013-14 to 2016-17 and April 17 to June 17	Commercial Tax officer, Secunderabad

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

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

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or dues to debenture holders. The Company has not taken any loan or borrowing from government.

(ix) The Company did not raise moneys by way of initial public offer or further public offer of equity shares during the year. In our opinion, monies raised by the Company by way of debt instruments and term loans were applied for the purposes for which those were obtained, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management except three fraud cases amounting to Rs. 0.18 Crores where employees of the Company has conducted Cheating and Forgery.

(xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

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

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

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAACL9811

Place: Mumbai
Date: June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
UDIN: 20064225AAAAAX2386

Place: Gurugram
Date: June 10, 2020

ANNEXURE 2

TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Shriram Transport Finance Company Limited on the standalone financial statements for the year ended March 31, 2020]

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

We have audited the internal financial controls with reference to financial statements of Shriram Transport Finance Company Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;(2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely

detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

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

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAACL9811

Place: Mumbai
Date: June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
UDIN: 20064225AAAAAX2386

Place: Gurugram
Date: June 10, 2020

SHRIRAM Transport Finance Company Limited
A WINNING RELATIONSHIP

BALANCE SHEET

AS AT MARCH 31, 2020

(Rs. in crores)

Particulars			Notes	As at March 31, 2020	As at March 31, 2019
I	**ASSETS**				
	1	**Financial assets**			
		Cash and cash equivalents	8	3,088.99	1,029.14
		Bank balance other than above	9	4,225.93	2,952.33
		Derivative financial instruments	10	758.73	21.72
		Receivables	11		
		(I) Trade receivables		10.50	8.48
		(II) Other receivables		5.64	19.94
		Loans	12	102,231.63	96,751.49
		Investments	13	2,798.48	3,999.07
		Other financial assets	14	45.15	36.88
	2	**Non-financial assets**			
		Current tax assets (net)	15	249.10	106.58
		Deferred tax assets (net)	43	62.50	75.70
		Investment property	16	2.03	2.06
		Property, plant and equipment	17	149.88	143.46
		Right-of-use assets	18	327.84	-
		Other intangible assets	19	2.67	1.97
		Other non-financial assets	20	169.57	143.66
	Total assets			**114,128.64**	**105,292.48**
II	**LIABILITIES AND EQUITY**				
	LIABILITIES				
	1	**Financial liabilities**			
		Derivative financial instruments	10	-	83.42
		Payables			
		(I) Trade payables	21		
		(i) total outstanding dues of micro enterprises and small enterprises		0.40	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		143.44	133.46
		(II) Other payables			
		(i) total outstanding dues of micro enterprises and small enterprises		-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.13	2.72
		Debt securities	22	34,266.96	34,181.76
		Borrowings (other than debt securities)	23	42,474.60	37,189.30
		Deposits	24	11,960.12	10,341.46
		Subordinated liabilities	25	5,670.07	6,201.88
		Other financial liabilities	26	912.32	1,016.48
		Lease liabilities	18	362.81	-
	2	**Non-financial liabilities**			
		Current tax liabilities (net)	27	102.02	102.97
		Provisions	28	146.33	133.26
		Other non-financial liabilities	29	83.28	69.49
	Total liabilities			**96,123.48**	**89,456.20**
	3	**Equity**			
		Equity share capital	30	226.88	226.90
		Other equity	31	17,778.28	15,609.38
	Total equity			**18,005.16**	**15,836.28**
	Total liabilities and equity			**114,128.64**	**105,292.48**

See accompanying notes forming part of the financial statements.

As per our report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

(Rs. in crores)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
(i) Interest income	32	16,267.46	15,335.69
(ii) Dividend income		0.19	4.99
(iii) Rental income		0.22	0.22
(iv) Fee and commission income	33	194.97	126.60
(v) Net gain on fair value changes	34	-	-
(vi) Other operating income	35	99.52	61.65
(I) Total Revenue from operations		**16,562.36**	**15,529.15**
(II) **Other income**	36	20.27	27.51
(III) Total Income (I + II)		**16,582.63**	**15,556.66**
Expenses			
(i) Finance cost	37	8,270.26	7,511.26
(ii) Fee and commission expense	38	56.88	62.19
(iii) Net loss on fair value changes	34	6.75	2.58
(iv) Impairment of financial instruments	39	2,794.88	2,382.26
(v) Employee benefits expenses	40	1,010.82	883.06
(vi) Depreciation, amortisation and impairment	41	141.05	42.97
(vii) Other expenses	42	863.32	894.07
(IV) Total Expenses		**13,143.96**	**11,778.39**
(V) Profit before exceptional items and tax (III - IV)		**3,438.67**	**3,778.27**
(VI) Exceptional items		-	-
(VII) Profit before tax (V+ VI)		**3,438.67**	**3,778.27**
(VIII) Tax Expense:			
(1) Current tax	43	921.20	1,346.37
(2) Deferred tax	43	14.79	(22.27)
(3) Tax adjustment for earlier years	43	0.84	(109.82)
(IX) Profit for the year from continuing operations (VII - VIII)		**2,501.84**	**2,563.99**
(X) Profit for the year		**2,501.84**	**2,563.99**
(XI) Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(6.33)	(3.56)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.59	1.24
Subtotal (A)		**(4.74)**	**(2.32)**
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A + B)		**(4.74)**	**(2.32)**
(XII) Total Comprehensive income for the year (X + XI)		**2,497.10**	**2,561.67**
(XIII) Earnings per equity share			
Basic (Rs.)	44	110.27	113.01
Diluted (Rs.)	44	110.27	113.01

See accompanying notes forming part of the financial statements.

As per our report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. Equity share capital

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2018	**226,882,736**	**226.90**
Changes in Equity share capital during the year	-	-
As at March 31, 2019	**226,882,736**	**226.90**
Changes in Equity share capital during the year	-	(0.02)
As at March 31, 2020	**226,882,736**	**226.88**

B. Other equity

(Rs. in crores)

Particulars	Reserves and Surplus							Other comprehensive income- retirement benefits	Total
	Statutory reserve	Capital reserve	Securities premium account	Debenture redemption reserve	Capital redemption reserve	General reserve	Retained earnings		
Balance as at April 01, 2018	**2,654.55**	**27.62**	**1,754.81**	**216.59**	**53.88**	**1,813.91**	**6,829.82**	**(2.60)**	**13,348.58**
Profit for the year	-	-	-	-	-	-	2,563.99	-	**2,563.99**
Other comprehensive income for the year	-	-	-	-	-	-	-	(2.32)	**(2.32)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,563.99**	**(2.32)**	**2,561.67**
Transferred to/from	514.00	-	-	158.03	-	350.44	(1,022.47)	-	-
Dividends (interim and final)	-	-	-	-	-	-	(249.57)	-	**(249.57)**
Tax on dividend (interim and final)	-	-	-	-	-	-	(51.30)	-	**(51.30)**
Balance as at March 31, 2019	**3,168.55**	**27.62**	**1,754.81**	**374.62**	**53.88**	**2,164.35**	**8,070.47**	**(4.92)**	**15,609.38**

B. Other equity (Contd.)

(Rs. in crores)

Particulars	Reserves and Surplus							Other comprehensive income- retirement benefits	Total
	Statutory reserve	Capital reserve	Securities premium account	Debenture redemption reserve	Capital redemption reserve	General reserve	Retained earnings		
Balance as at April 01, 2019	**3,168.55**	**27.62**	**1,754.81**	**374.62**	**53.88**	**2,164.35**	**8,070.47**	**(4.92)**	**15,609.38**
Profit for the year	-	-	-	-	-	-	2,501.84	-	**2,501.84**
Other comprehensive income for the year	-	-	-	-	-	-	-	(4.74)	**(4.74)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,501.84**	**(4.74)**	**2,497.10**
Transferred to/(from)	500.38	-	-	235.79	-	250.19	(986.36)	-	-
Transfer from share forfeiture account	-	0.02	-	-	-	-	-	-	**0.02**
Dividends (interim and final)	-	-	-	-	-	-	(272.26)	-	**(272.26)**
Tax on dividend (interim and final)	-	-	-	-	-	-	(55.96)	-	**(55.96)**
Balance as at March 31, 2020	**3,668.93**	**27.64**	**1,754.81**	**610.41**	**53.88**	**2,414.54**	**9,257.73**	**(9.66)**	**17,778.28**

See accompanying notes forming part of the financial statements

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,438.67	3,778.27
Depreciation, amortisation and impairment	141.05	42.97
Interest on income tax refund	(5.80)	(6.66)
Loss on sale of investments	0.12	-
Loss/(profit) on sale of fixed assets (net)	(1.17)	0.51
Impairment on loans	2,748.87	2,450.51
Impairment on investments	42.22	(0.06)
Impairment on undrawn loan commitment	4.39	6.71
Impairment on other assets	(0.60)	(74.90)
Net (gain)/loss on fair value changes on investment	0.87	(0.52)
Net (gain)/loss on fair value changes on derivatives	5.88	3.10
Operating profit before working capital changes	**6,374.50**	**6,199.93**
Movements in working capital:		
Decrease/(increase) in loans	(8,229.03)	(8,456.35)
(Increase)/decrease in investments	1,157.38	(1,657.13)
Decrease/(increase) in receivables	12.28	(10.98)
Decrease/(increase) in bank deposits	(1,273.60)	(368.49)
Decrease/(increase) in other financial assets	(7.67)	75.49
Decrease/(increase) in other non-financial assets	(28.09)	(3.43)
Increase/(decrease) in payables	10.38	(86.31)
Increase/(decrease) in other financial liabilities	(104.04)	126.22
Increase/(decrease) in non-financial liabilities	13.79	(3.83)
Increase/(decrease) in other provision	7.69	2.31
Cash generated from operations	**(2,066.41)**	**(4,182.57)**
Direct taxes paid (net of refunds)	(1,065.03)	(1,352.41)
Net cash flows from/(used in) operating activities (A)	**(3,131.44)**	**(5,534.98)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(57.80)	(77.97)
Proceeds from sale of property, plant and equipment and intangible assets	2.60	1.83
Net cash flows from/(used in) investing activities (B)	**(55.20)**	**(76.14)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Derivatives	(826.31)	64.46
Amount received from deposits received (including ICDs)	4,433.61	5,006.10
Repayment of deposits	(2,940.82)	(3,315.19)
Amount received from debt securities	13,085.18	9,057.53
Repayment of debt securities	(9,557.89)	(6,562.70)
Amount received from subordinated debts	-	2,360.00
Repayment of subordinated debts	(449.01)	(864.56)
Amount received from borrowings other than debt securities	42,569.54	56,824.89
Repayment of borrowings other than debt securities	(40,683.27)	(56,722.52)
Payment of lease liabilities	(56.20)	-
Dividend paid	(272.38)	(247.16)
Tax on dividend	(55.96)	(51.30)
Net cash flows from financing activities (C)	**5,246.49**	**5,549.55**
Net increase in cash and cash equivalents (A+B+C)	2,059.85	(61.57)
Cash and cash equivalents at the beginning of the year	1,029.14	1,090.71
Cash and cash equivalents at the end of the year	**3,088.99**	**1,029.14**
Net cash provided by (used in) operating activities includes		
Interest received on loans	14,487.74	14,842.91
Interest paid	(5,923.07)	(5,813.03)
Dividend received	0.19	4.99

(Rs. in crores)

Components of cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents at the end of the year		
i) Cash on hand	41.24	123.47
ii) Cheques on hand	2.38	18.18
iii) Balances with banks (of the nature of cash and cash equivalents)	1,810.59	761.67
iv) Bank deposit with original maturity less than three months	1,234.78	125.82
Total	**3,088.99**	**1,029.14**

See accompanying notes forming part of the financial statements.

As per our report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

1 CORPORATE INFORMATION

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

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

The Company is associate of Shriram Capital Limited.

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

The financial statements of the Company for the year ended March 31, 2020 were approved for issue in accordance with the resolution of the Board of Directors on June 10, 2020.

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.

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

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

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

3 PRESENTATION OF FINANCIAL STATEMENT

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to 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.

Except for the changes below, the Company has consistently applied accounting policies to all periods.

i) The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. Refer note 6.3(iii) for the Company's policy on leases.

5 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

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

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

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

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

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

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

Debt instruments

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

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

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

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

Equity instruments

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

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

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

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

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

Financial instruments held for trading

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

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

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

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

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

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

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

(v) Derivatives

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

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.
- The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period. Such derivative instruments are presented as assets in case of a fair value gain and as liabilities in case of fair value loss. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vi) Embedded Derivatives

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

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

(vii) Debt securities and other borrowed funds

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

(viii) Financial guarantees

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

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

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2018-19 and until the year ended March 31, 2020.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition

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

b) Investments are initially recognised on the settlement date.

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

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

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

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

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

Derecognition of financial assets other than due to substantial modification

a) Financial assets

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

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

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

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

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

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

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

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

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

b) Financial liabilities

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

(xi) Impairment of financial assets

Overview of the ECL principles

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

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

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

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

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

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

Stage 1

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

Stage 2

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

Stage 3

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

Credit-impaired financial assets

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

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

a) Significant financial difficulty of the borrower or issuer;

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

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

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

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

ECL on Investment in Government securities:

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

Simplified approach for trade/other receivables and contract assets

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

Financial guarantee contracts

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

ECL on Debt instruments measured at fair value through OCI

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

The mechanics of ECL

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 53.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 53.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 53.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably. Refer note 62 for impact of COVID and macro-economic factors on PD and LGD estimation.

Collateral Valuation

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

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards.

(xii) Write-offs

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

(xiii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

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

i. In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition.

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

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

6.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

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

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

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

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

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

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

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

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

(iii) Rental Income

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

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

(iv) Fees & Commission Income

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

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

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

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

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

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

(v) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 34), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

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

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

6.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

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

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

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

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

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

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined Benefit schemes

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

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

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

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

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

Other long-term employee benefits

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

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

(iii) Rent Expense

Upto March 31, 2019

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 the risks and benefits incidental to ownership of the leased items are operating leases.

From April 01, 2019

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

The Company's lease asset classes consist of leases for office premises.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

In the comparative period, leases, lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

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

(iv) Other income and expenses

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

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised 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 recognises 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 recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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

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

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

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

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

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition

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

Conversion

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

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

6.5 Cash and cash equivalents

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

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

6.6 Property, plant and equipment

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

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

Depreciation

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

The estimated useful lives are as follows:

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

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

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

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

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

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

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

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

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

6.8 Investment Property

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

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

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

6.9 Provisions

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

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

6.10 Contingent Liabilities

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

6.11 Earning Per Share

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

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

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

7.1 Business Model Assessment

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

7.2 Defined employee benefit assets and liabilities

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

7.3 Fair value measurement

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

7.4 Impairment of loans portfolio

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

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

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

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

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

7.6 Effective Interest Rate (EIR) method

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

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

7.7 Other estimates

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

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	41.24	123.47
	Balances with banks (of the nature of cash and cash equivalents)	1,810.59	761.67
	Cheques on hand	2.38	18.18
	Bank deposit with original maturity less than three months	1,234.78	125.82
	Total	**3,088.99**	**1,029.14**

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

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
9	**BANK BALANCE OTHER THAN ABOVE**		
	Balances with banks		
	Unclaimed dividend accounts	10.57	10.69
	Bank deposit with original maturity for more than three months	364.16	200.37
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments. *	3,851.20	2,741.27
	Total	**4,225.93**	**2,952.33**

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

*Includes deposits Rs. 3,701.14 crores (March 31, 2019: Rs. 2,716.93 crores) pledged with Banks as margin for credit enhancement, Rs. 146.83 crores (March 31, 2019: Rs. 21.28 crores) as margin for guarantees and Rs. 3.23 crores (March 31, 2019: Rs. 3.06 crores) pledged as lien against loans taken.

10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in crores)

Particulars		As at March 31, 2020				As at March 31, 2019			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I									
(i)	**Currency derivatives:**								
	- Spots and forwards	8,018.44	378.05	-	-	374.86	1.22	-	-
	- Currency swaps	1,769.50	11.50	-	-	2,402.33	18.67	2,849.90	83.05
	- Cross currency interest rate swaps	6,389.23	319.50	-	-	-	-	-	-
	Sub total (i)	**16,177.17**	**709.05**	**-**	**-**	**2,777.19**	**19.89**	**2,849.90**	**83.05**
(ii)	**Interest rate derivatives:**								
	-Forward rate agreements and interest rate swaps	-	-	-	-	40.00	1.83	15.00	0.37
	-Interest rate swaps	8,744.63	45.77	-	-	-	-	-	-
	-Interest rate caps	-	3.91	-	-	-	-	-	-
	Sub total (ii)	**8,744.63**	**49.68**	**-**	**-**	**40.00**	**1.83**	**15.00**	**0.37**
(iii)	**Credit derivatives:**	-	-	-	-	-	-	-	-
(iv)	**Equity linked derivatives:**	-	-	-	-	-	-	-	-
(v)	**Other derivatives:**	-	-	-	-	-	-	-	-
Total derivative financial instruments (i+ii+iii+iv+v)		**24,921.80**	**758.73**	**-**	**-**	**2,817.19**	**21.72**	**2,864.90**	**83.42**
Part II									
	Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i)	Undesignated Derivatives	24,921.80	758.73	-	-	2,817.19	21.72	2,864.90	83.42
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)		**24,921.80**	**758.73**	**-**	**-**	**2,817.19**	**21.72**	**2,864.90**	**83.42**

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 53.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments.

Derivatives not designated as hedging instruments

The Company uses cross currency interest rate swaps, interest rate swaps, principal only swaps, forward contracts, interest rate caps to manage its interest rate risk and foreign currency risk arising from USD and EURO denominated External commercial borrowings and bonds. The derivative instruments are entered into for periods consistent with exposure of the underlying transactions:

Details of the derivative instruments are given below:

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Notional amounts	Derivative assets	Notional amounts	Derivative liabilities	Notional amounts	Derivative assets	Notional amounts	Derivative liabilities
Interest rate risk:								
Interest rate swaps	8,744.63	45.77	-	-	40.00	1.83	15.00	0.37
Interest rate caps	-	3.91	-	-	-	-	-	-
Foreign currency risk:								
Principal only swaps	1,769.50	11.50	-	-	-	-	-	-
Currency swaps	-	-	-	-	2,402.33	18.67	2,849.90	83.05
Forward contracts	8,018.44	378.05	-	-	374.86	1.22	-	-
Cross currency interest rate swaps	6,389.23	319.50	-	-	-	-	-	-
Total	**24,921.80**	**758.73**	**-**	**-**	**2,817.19**	**21.72**	**2,864.90**	**83.42**

11 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	10.50	8.48
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Total	**10.50**	**8.48**
Less: Allowances for impairment loss	-	-
Total	**10.50**	**8.48**

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured *	5.64	19.94
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	2.10	1.58
Total	**7.74**	**21.52**
Less: Allowances for impairment loss on credit impaired other receivables	2.10	1.58
Total	**5.64**	**19.94**

There is no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.
Trade receivables are non-interest bearing and are generally on terms of **30** days.

*Includes receivables from associate Rs. Nil (March 31, 2019: Rs. 0.58 crores).

(Rs. in crores)

Trade receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2020	Estimated total gross carrying amount at default	-	10.22	0.28	-	-	-	**10.50**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**-**	**10.22**	**0.28**	**-**	**-**	**-**	**10.50**
March 31, 2019	Estimated total gross carrying amount at default	7.98	0.07	0.43	-	-	-	**8.48**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**7.98**	**0.07**	**0.43**	**-**	**-**	**-**	**8.48**

11 RECEIVABLES (Contd.)

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

(Rs. in crores)

Other receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2020	Estimated total gross carrying amount at default	-	2.46	1.73	1.71	0.31	1.53	**7.74**
	ECL-simplified approach	-	0.18	0.04	0.04	0.31	1.53	**2.10**
	Net carrying amount	**-**	**2.28**	**1.69**	**1.67**	**-**	**-**	**5.64**
March 31, 2019	Estimated total gross carrying amount at default	0.24	19.30	0.34	0.06	0.08	1.50	**21.52**
	ECL-simplified approach	-	-	-	-	0.08	1.50	**1.58**
	Net carrying amount	**0.24**	**19.30**	**0.34**	**0.06**	**-**	**-**	**19.94**

Reconciliation of impairment allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2018	**1.92**
Add: Addition during the year	-
(Less): Reduction during the year	(0.34)
Impairment allowance as per March 31, 2019	**1.58**
Add: Addition during the year	0.53
(Less): Reduction during the year	(0.01)
Impairment allowance as per March 31, 2020	**2.10**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
12 LOANS		
(A)		
Loans (at amortised cost)		
i) Term loans	105,073.08	99,444.62
ii) Others -Unsecured loans	3,428.63	2,862.87
Total (A) - Gross	**108,501.71**	**102,307.49**
Less : Impairment loss allowance	6,270.08	5,556.00
Total (A) - Net	**102,231.63**	**96,751.49**
(B)		
i) Secured by tangible assets	105,061.35	99,440.23
ii) Secured by deposits	11.73	4.39
iii) Unsecured	3,428.63	2,862.87
Total (B) - Gross	**108,501.71**	**102,307.49**
Less : Impairment loss allowance (refer note 62)	6,270.08	5,556.00
Total (B) - Net	**102,231.63**	**96,751.49**
(C) Loans in India		
i) Public sector	-	-
ii) Others		
Retail	107,959.44	101,790.38
Corporates	542.27	517.11
Total (C) - Gross	**108,501.71**	**102,307.49**
Less : Impairment loss allowance (refer note 62)	6,270.08	5,556.00
Total (C)- Net	**102,231.63**	**96,751.49**

12 LOANS (Contd.)

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.06.

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total	Stage 1 collective	Stage 2 collective	Stage 3 collective	TOTAL
Internal rating grade								
Performing								
High grade	71,178.65	-	-	**71,178.65**	52,834.58	-	-	**52,834.58**
Standard grade	15,886.32	-	-	**15,886.32**	21,265.18	-	-	**21,265.18**
Sub-standard grade	-	10,002.10	-	**10,002.10**	-	13,607.30	-	**13,607.30**
Past due but not impaired	-	2,257.56	-	**2,257.56**	-	5,983.97	-	**5,983.97**
Non- performing	-	-	**9,177.08**	**9,177.08**	**0.13**	**0.06**	**8,616.27**	**8,616.46**
Total	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**

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

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**	**70,398.28**	**16,865.67**	**8,934.46**	**96,198.41**
New assets originated or purchased	43,005.82	7,356.58	1,113.47	**51,475.87**	40,762.97	9,240.97	2,339.34	**52,343.28**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(31,192.03)	(8,391.85)	(3,662.42)	**(43,246.30)**	(32,302.58)	(8,251.76)	(3,332.56)	**(43,886.90)**
Transfers to stage 1	30,922.99	(27,685.66)	(3,237.33)	-	7,333.10	(6,292.38)	(1,040.72)	-
Transfers to stage 2	(26,129.73)	30,711.25	(4,581.52)	-	(9,506.30)	10,374.80	(868.50)	-
Transfers to stage 3	(3,235.91)	(9,157.36)	12,393.27	-	(2,186.45)	(2,112.51)	4,298.96	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(406.06)	(164.63)	(1,464.66)	**(2,035.35)**	(399.13)	(233.46)	(1,714.71)	**(2,347.30)**
Gross carrying amount closing balance	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**

12 LOANS (Contd.)

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1,472.80	1,113.46	2,969.74	**5,556.00**	1,393.04	965.36	3,094.39	**5,452.79**
New assets originated or purchased	887.83	489.55	382.72	**1,760.10**	1,929.56	664.44	949.21	**3,543.21**
Transfers to stage 1	2,611.27	(1,581.05)	(1,030.22)	-	731.99	(376.75)	(355.24)	-
Transfers to stage 2	(524.43)	2,014.89	(1,490.46)	-	(192.27)	488.28	(296.01)	-
Transfers to stage 3	(63.94)	(552.01)	615.95	-	(47.46)	(138.55)	186.01	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(1,821.42)	(392.13)	3,202.88	**989.33**	(1,942.93)	(255.86)	1,106.09	**(1,092.70)**
Amounts written off	(406.06)	(164.63)	(1,464.66)	**(2,035.35)**	(399.13)	(233.46)	(1,714.71)	**(2,347.30)**
ECL allowance - closing balance	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**	**1,472.80**	**1,113.46**	**2,969.74**	**5,556.00**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,447.19 crores at March 31, 2020 (March 31, 2019: Rs. 1,802.17 crores).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total
i) Mutual funds *	-	3.02	-	**3.02**	-	323.82	-	**323.82**
ii) Government securities (refer note 64)	1,824.46	-	-	**1,824.46**	1,495.15	-	-	**1,495.15**
iii) Debt securities	52.67	-	-	**52.67**	52.67	-	-	**52.67**
iv) Equity instruments	-	3.36	-	**3.36**	-	3.58	-	**3.58**
v) Associates (at cost)	-	-	13.37	**13.37**	-	-	13.37	**13.37**
vi) Pass through certificates (unquoted)	942.79	-	-	**942.79**	877.81	-	-	**877.81**
vii) Certificate of deposits	-	-	-	-	-	1,231.71	-	**1,231.71**
viii) Others (venture capital fund)	-	1.04	-	**1.04**	-	0.97	-	**0.97**
Total Gross (A)	**2,819.92**	**7.42**	**13.37**	**2,840.71**	**2,425.63**	**1,560.08**	**13.37**	**3,999.08**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	2,819.92	7.42	13.37	**2,840.71**	2,425.63	1,560.08	13.37	**3,999.08**
Total Gross (B)	**2,819.92**	**7.42**	**13.37**	**2,840.71**	**2,425.63**	**1,560.08**	**13.37**	**3,999.08**
Less : Allowance for impairment loss (C)	(42.23)	-	-	**(42.23)**	(0.01)	-	-	**(0.01)**
Total - Net D = (A) - (C)	**2,777.69**	**7.42**	**13.37**	**2,798.48**	**2,425.62**	**1,560.08**	**13.37**	**3,999.07**

More information regarding the valuation methodologies can be found in Note 52.10

* The Company received dividend of Rs. 0.19 crores (March 31, 2019: Rs. 4.99 crores) from its investments measured at fair value through profit or loss, recorded as dividend income.

13 INVESTMENTS (Contd.)

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system for investments carried at amortised cost are explained in note 53.02.

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	2,767.25	-	-	**2,767.25**	2,425.63	-	-	**2,425.63**
Standard grade	-	-	-	**-**	-	-	-	**-**
Non-performing	-	-	-	**-**	-	-	-	**-**
Individually Impaired	-	52.67	-	**52.67**	-	-	-	**-**
Total	**2,767.25**	**52.67**	**-**	**2,819.92**	**2,425.63**	**-**	**-**	**2,425.63**

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	2,425.63	-	-	**2,425.63**	2,267.04	52.67	-	**2,319.71**
New assets originated or purchased	1,190.59	-	-	**1,190.59**	798.22	-	-	**798.22**
Assets derecognised or matured (excluding write-offs)	(796.51)	-	-	**(796.51)**	(692.10)	-	-	**(692.10)**
Change in fair value	0.21	-	-	**0.21**	(0.20)	-	-	**(0.20)**
Transfers to stage 1	-	-	-	**-**	52.67	(52.67)	-	**-**
Transfers to stage 2	(52.67)	52.67	-	**-**	-	-	-	**-**
Closing balance	**2,767.25**	**52.67**	**-**	**2,819.92**	**2,425.63**	**-**	**-**	**2,425.63**

Investment carried at amortised cost

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**0.01**	**-**	**-**	**0.01**	**-**	**0.07**	**-**	**0.07**
New assets originated or purchased	-	-	-	**-**	-	-	-	**-**
Transfers to stage 1	-	-	-	**-**	0.07	(0.07)	-	**-**
Transfers to stage 2	(0.01)	0.01	-	**-**	-	-	-	**-**
Unwinding of discount (recognised in interest income)	-	0.93	-	**0.93**	-	-	-	**-**
Changes to models and inputs used for ECL calculations	23.79	17.50	-	**41.29**	(0.06)	-	-	**(0.06)**
Closing balance in ECL	**23.79**	**18.44**	**-**	**42.23**	**0.01**	**-**	**-**	**0.01**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
14 OTHER FINANCIAL ASSETS		
Security deposits*	45.15	36.88
Total	**45.15**	**36.88**

*Net of allowance for impairment loss recognised on security deposit Rs. 0.60 crore (March 31, 2019: Rs. 1.28 crores).

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
15 CURRENT TAX ASSETS (NET)		
Advance income tax [net of provision for income tax Rs. 2,910.66 crores (March 31, 2019: Rs. 2,909.82 crores)]	249.10	106.58
Total	**249.10**	**106.58**

(Rs. in crores)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Freehold Land	Buildings	Total	Freehold Land	Buildings	Total
16 INVESTMENT PROPERTY						
Gross block at cost						
Opening balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Accumulated depreciation and impairment						
Opening balance	**-**	**0.09**	**0.09**	**-**	**0.06**	**0.06**
Depreciation charge for the year	-	0.03	**0.03**	-	0.03	**0.03**
Disposals	-	-	-	-	-	-
Closing balance	**-**	**0.12**	**0.12**	**-**	**0.09**	**0.09**
Net carrying amount	**0.70**	**1.33**	**2.03**	**0.70**	**1.36**	**2.06**

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

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rental income from investment property	0.22	0.22
Direct operating expenses arising from investment property that generated rental income during the year	0.06	0.03
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
Profit from investment property before depreciation	**0.16**	**0.19**
Depreciation charge for the year	0.03	0.03
Profit from investment property after depreciation	**0.13**	**0.16**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair value of the investment property as at March 31, 2020 is Rs. 6.43 crores (March 31, 2019: Rs. 6.43 crores).

(iv) Pledged details

Investment property is not pledged.

16 INVESTMENT PROPERTY (Contd.)

(v) Estimation of fair value

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

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Gross block at cost									
As at April 01, 2018	**0.15**	**2.72**	**8.82**	**33.62**	**17.81**	**20.24**	**0.54**	**62.26**	**146.16**
Additions	0.50	0.78	1.86	19.20	8.40	6.73	-	31.92	**69.39**
Disposals	-	1.11	0.90	7.95	1.60	1.17	0.27	5.79	**18.79**
Adjustment*	-	-	-	-	0.01	-	-	(0.01)	-
As at March 31, 2019	**0.65**	**2.39**	**9.78**	**44.87**	**24.62**	**25.80**	**0.27**	**88.38**	**196.76**
Additions	-	-	1.53	17.66	9.12	5.38	-	22.74	**56.43**
Disposals	0.06	-	0.29	8.24	2.15	0.78	0.02	6.13	**17.67**
Adjustment*	-	-	0.07	-	-	0.29	-	(0.36)	-
As at March 31, 2020	**0.59**	**2.39**	**11.09**	**54.29**	**31.59**	**30.69**	**0.25**	**104.63**	**235.52**
Accumulated depreciation and impairment									
As at April 01, 2018	**-**	**0.04**	**1.00**	**5.70**	**4.66**	**1.96**	**0.03**	**14.54**	**27.93**
Charge for the year	-	0.05	1.36	12.37	4.98	2.84	0.08	20.24	**41.92**
Disposals	-	0.17	0.80	7.27	1.48	1.00	0.26	5.57	**16.55**
Adjustment*	-	-	-	-	0.01	-	-	(0.01)	-
As at March 31, 2019	**-**	**(0.08)**	**1.56**	**10.80**	**8.17**	**3.80**	**(0.15)**	**29.20**	**53.30**
Charge for the year	-	0.05	1.47	15.56	5.49	3.28	0.07	22.66	**48.58**
Disposals	-	-	0.23	7.44	1.98	0.66	0.01	5.92	**16.24**
Adjustment*	-	-	0.02	-	-	0.10	-	(0.12)	-
As at March 31, 2020	**-**	**(0.03)**	**2.82**	**18.92**	**11.68**	**6.52**	**(0.09)**	**45.82**	**85.64**
Net carrying amount as at March 31, 2019	**0.65**	**2.47**	**8.22**	**34.07**	**16.45**	**22.00**	**0.42**	**59.18**	**143.46**
Net carrying amount as at March 31, 2020	**0.59**	**2.42**	**8.27**	**35.37**	**19.91**	**24.17**	**0.34**	**58.81**	**149.88**

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

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2020 is Rs. 0.36 crores (March 31, 2019: Rs. 0.34 crores).

18 LEASES

A] This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

The Balance sheet shows the following amounts relating to leases

Right-of-use assets

(Rs. in crores)

Particulars	As at March 31, 2020
Office premises	
As at March 31, 2019	-
Right-of-use assets on transition	371.83
Additions	71.36
Depreciation charge for the year	(91.17)
Deletions	(24.18)
Net carrying amount as at March 31, 2020	**327.84**

Lease liabilities

Maturity analysis of lease liabilities

(Rs. in crores)

Particulars	As at March 31, 2020
Less than 1 year	80.97
1 to 2 years	74.50
2 to 3 years	61.40
3 to 4 years	47.99
4 to 5 years	35.80
More than 5 years	62.15
Total	**362.81**

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to the lease contracts existing on April 01, 2019 using the modified retrospective approach, recognising right-of-use assets and adjusted lease liability. As per Ind AS 116, lease commitments are recognised as lease liability and need not be disclosed under contingent liabilities and commitments.

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

(Rs. in crores)

	Particulars	As at March 31, 2020
(ii)	**Amounts recognised in the Statement of Profit or Loss**	
	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	91.17
	Interest expense (included in finance costs)	33.73
	Expense relating to short-term leases (included in other expenses)	9.88
	Expense relating to variable lease payments not included in lease liabilities (included in other expenses).	-
	Income from subleasing right-of-use assets(included in other income)	8.61
(iii)	**Gains or losses arising from sale and leaseback transactions**	-
(iv)	**The total cash outflow for leases during the year ended March 31, 2020**	110.46

The weighted average incremental borrowing rate of 9.09% has been applied to lease liabilities recognised in the balance sheet as at April 01, 2019 .

The difference between the operating lease commitments disclosed applying Ind AS 17 as of March 31, 2019 and the value of the lease liability arrived using the incremental borrowing rate as of April 01, 2019 is primarily on account of exclusion of short term leases in measuring the lease liability in accordance with Ind AS 116.

18 LEASES (Contd.)

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

B] This note provides information for leases where the Company is a lessor.

The Company has given office premises under lease. The income from lease recognised in the Statement of Profit and Loss are Rs. 0.22 crore (March 31, 2019: Rs. 0.22 crore). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

Future minimum lease receivables under non-cancellable leases as at March 31, 2020 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	0.16	0.15
After one year but not more than five years	0.42	0.58
More than five years	-	-
Total	**0.58**	**0.73**

(Rs. in crores)

Particulars	Computer software
19 OTHER INTANGIBLE ASSETS #	
Gross block at cost	
As at April 01, 2018	**2.63**
Additions	1.36
Disposals	1.93
As at March 31, 2019	**2.06**
Additions	1.96
Disposals	-
As at March 31, 2020	**4.02**
Accumulated amortisation and impairment:	
As at April 01, 2018	**0.89**
Charge for the year	1.03
Disposals	1.83
Adjustment*	0.00
As at March 31, 2019	**0.09**
Charge for the year	1.26
Disposals	-
As at March 31, 2020	**1.35**
Net carrying amount as at March 31, 2019	**1.97**
Net carrying amount as at March 31, 2020	**2.67**

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

Other than internally generated

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
20 OTHER NON-FINANCIAL ASSETS		
Deferred lease rental	-	8.67
Goods and services tax credit (input) receivable	66.86	52.06
Prepaid expenses	8.21	8.32
Capital advances	0.86	3.04
Duties paid under protest	86.40	64.68
Other non-financial assets	7.24	6.89
Total	**169.57**	**143.66**

21 PAYABLES

Trade payables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.40	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises*	143.44	133.46
Total	**143.84**	**133.46**

*Includes payable to associate Rs. 0.41 crores (March 31, 2019: Rs. Nil).

Other payables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.13	2.72
Total	**1.13**	**2.72**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
22 DEBT SECURITIES		
At amortised cost		
Secured		
Redeemable non-convertible debentures		
- Public issue ¥	5,796.78	5,770.85
- Privately placed ¥¥	14,204.14	19,127.33
External commercial bond	12,607.01	2,769.96
Senior secured notes	1,204.92	2,564.99
Unsecured		
Redeemable non-convertible debentures		
- Privately placed	454.11	444.83
Commercial papers	-	3,503.80
Total	**34,266.96**	**34,181.76**
Debt securities in India	20,455.03	28,846.81
Debt securities outside India	13,811.93	5,334.95
Total	**34,266.96**	**34,181.76**

¥ includes Rs. 40.50 crores (March 31, 2019 Rs.14.49 crores) issued to related parties including Directors.

¥¥ includes Rs. Nil (March 31, 2019 Rs. 82.81 crores) issued to related parties.

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
23	**BORROWINGS (OTHER THAN DEBT SECURITIES)**		
	At amortised cost		
	Secured		
	Term loan from banks - INR	13,259.27	11,831.39
	Term loan from banks - FCNR	-	411.52
	Term loan from financial institutions/corporates - INR	1,446.29	3,413.04
	External commercial borrowing - FCNR	4,300.61	2,376.53
	Loans repayable on demand from banks (Cash credit from banks)	2,016.39	1,418.30
	Other loans - INR -Securitisation liabilities	21,452.04	17,738.52
	Total	**42,474.60**	**37,189.30**
	Borrowings in India	38,173.99	34,401.25
	Borrowings outside India	4,300.61	2,788.05
	Total	**42,474.60**	**37,189.30**

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
24	**DEPOSITS**		
	At amortised cost		
	Unsecured		
	Deposits		
	i. Public deposits *	11,768.48	10,169.76
	ii. From corporate **	152.22	145.32
	iii. Inter-corporate deposits from associate	39.42	26.38
	Total	**11,960.12**	**10,341.46**

* includes Rs. 1.58 crores (March 31, 2019 Rs. 1.42 crores) accepted from related parties including Director.

** includes Rs. 1.55 crores (March 31, 2019 Rs. 14.99 crores) accepted from related parties.

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
25	**SUBORDINATED LIABILITIES**		
	At amortised cost		
	Unsecured		
	Subordinated debts - Debentures #	5,138.00	5,243.09
	Subordinated debts - Bonds ##	532.07	958.79
	Total	**5,670.07**	**6,201.88**
	Subordinated debts in India	5,670.07	6,201.88
	Subordinated debts outside India	-	-
	Total	**5,670.07**	**6,201.88**

includes Rs. 422.19 crores (March 31, 2019 Rs. 470.39 crores) issued to related parties.

includes Rs. 3.17 crores (March 31, 2019 Rs. 5.92 crores) issued to related parties.

I DEBT SECURITIES

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

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	104.94	-	**104.94**
Total	**-**	**104.94**	**-**	**104.94**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	100.99	-	**100.99**
Total	**-**	**100.99**	**-**	**100.99**

Nature of security

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

The Company had utilised the entire sum of Rs. 500.00 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

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

As per the terms of the issue NCD 2013 (2) Rs. 114.68 crores were redeemed on October 23, 2018.

As per the terms of the issue Rs. 294.01 crores were redeemed on October 24, 2016.

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	35.05	198.45	-	**233.50**
Total	**35.05**	**198.45**	**-**	**233.50**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
24-36 months	-	227.59	-	**227.59**
12-24 months	27.80	437.16	-	**464.96**
Total	**27.80**	**664.75**	**-**	**692.55**

Nature of security

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

The Company had utilised the entire sum of Rs. 1,974.85 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

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

I DEBT SECURITIES (Contd.)

As per the terms of the issue Rs. 427.15 crores were redeemed on July 15, 2019.

As per the terms of the issue Rs. 1,348.33 crores were redeemed on July 15, 2017.

iii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 1)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	496.11	-	-	**496.11**
36-48 months	825.13	-	-	**825.13**
12-24 months	2,427.46	-	-	**2,427.46**
Total	**3,748.70**	**-**	**-**	**3,748.70**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	609.81	-	-	**609.81**
48-60 months	813.37	-	-	**813.37**
24-36 months	2,407.61	-	-	**2,407.61**
Total	**3,830.79**	**-**	**-**	**3,830.79**

Nature of security

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

The Company had utilised the entire sum of Rs. 3,648.52 crores raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 107.40 crores were redeemed on December 26, 2019

iv) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 2)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.51	-	-	**71.51**
36-48 months	262.12	-	-	**262.12**
12-24 months	-	295.02	-	**295.02**
Total	**333.63**	**295.02**	**-**	**628.65**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.59	-	-	**71.59**
48-60 months	254.12	-	-	**254.12**
24-36 months	-	288.65	-	**288.65**
Total	**325.71**	**288.65**	**-**	**614.36**

I DEBT SECURITIES (Contd.)

Nature of security

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

The Company had utilised the entire sum of Rs. 606.79 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

v) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 3)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.87	-	-	**59.87**
36-48 months	232.06	-	-	**232.06**
12-24 months	-	253.76	-	**253.76**
Total	**291.93**	**253.76**	**-**	**545.69**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.73	-	-	**59.73**
48-60 months	226.96	-	-	**226.96**
24-36 months	-	245.47	-	**245.47**
Total	**286.69**	**245.47**	**-**	**532.16**

Nature of security

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

The Company had utilised the entire sum of Rs. 537.32 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

vi) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 1)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.48	41.75	-	**62.23**
48-60 months	33.47	66.95	-	**100.42**
24-36 months	41.21	86.90	-	**128.11**
12-24 months	-	54.98	-	**54.98**
Total	**95.16**	**250.58**	**-**	**345.74**

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

Nature of security

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

The Company has utilised the entire sum of Rs. 339.94 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

I DEBT SECURITIES (Contd.)

vii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 2)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
Over 60 months	26.19	-	-	**26.19**
48-60 Months	64.80	-	-	**64.80**
24-36 months	78.09	20.48	-	**98.57**
Total	**169.08**	**20.48**	**-**	**189.56**

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

Nature of security

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

The Company has utilised the entire sum of Rs. 193.67 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10%* ¥^	>= 10% < 12% *^	>= 12% < 14%	>=14% <16%	
over 60 months	524.89	-	-	-	**524.89**
48-60 months	154.80	1,299.08	-	-	**1,453.88**
36-48 months	210.38	172.02	-	-	**382.40**
24-36 months	1,780.18	202.41	148.38	-	**2,130.97**
12-24 months ^	4,481.32	804.89	-	-	**5,286.21**
upto 12 months *¥^	4,045.92	379.87	-	-	**4,425.79**
Total	**11,197.49**	**2,858.27**	**148.38**	**-**	**14,204.14**

* Includes 1 NCD of Rs. 666.00 crores partly paid to the extent of Rs. 666,000/- (50% redeemed)

* Includes 1 NCD of Rs. 25.00 crores partly paid to the extent of Rs. 111,111.11

^NCD amounting to Rs. 1,867.30 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

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

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	110.00	August 7, 2020
Total		**110.00**	

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10% *^¥	>= 10% < 12% ^	>= 12% < 14%	>=14% <16%	
over 60 months	692.23	1,334.80	-	-	**2,027.03**
48-60 months	210.24	190.84	-	-	**401.08**
36-48 months ^	1,522.76	-	145.77	-	**1,668.53**
24-36 months ^¥	4,687.66	220.02	-	-	**4,907.68**
12-24 months*^¥	2,227.78	980.85	199.10	13.61	**3,421.34**
upto 12 months ¥^	6,701.67	-	-	-	**6,701.67**
Total	**16,042.34**	**2,726.51**	**344.87**	**13.61**	**19,127.33**

* Includes 1 NCD of Rs. 300.00 crores partly paid to the extent of Rs. 500,000/-

* Includes 3 NCD of Rs. 80.00 crores partly paid to the extent of Rs. 50,000/-

* Includes 2 NCD of Rs. 90.00 crores partly paid to the extent of Rs. 60,000/-

I DEBT SECURITIES (Contd.)

* Includes 1 NCD of Rs. 666.00 crores partly paid to the extent of Rs. 666,000/-

* Includes 1 NCD of Rs. 25.00 crores partly paid to the extent of Rs.111,111.11

* Includes 1 NCD of Rs. 15.00 crores partly paid to the extent of Rs. 100,000/-

^NCD amounting to Rs. 2,177.00 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

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

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	110.00	August 7, 2020
2	8.10%	300.00	March 23, 2020
3	8.79%	45.00	May 22, 2019
Total		**455.00**	

Nature of security

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

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

(Rs. in crores)

Total non-convertible debentures- secured	As at March 31, 2020	As at March 31, 2019
Public issue (i+ii+iii+iv+v+vi+vii)	5,796.78	5,770.85
Privately placed (viii)	14,204.14	19,127.33
Total non-convertible debentures- secured	**20,000.92**	**24,898.18**

B) External commercial bond (ED) Secured

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

Terms of repayment as on March 31, 2020 (Rs. in crores)

Detail	< 10%	>= 10% < 12%	Total
36-48 months	3,808.17	-	**3,808.17**
24-36 months	5,772.26	-	**5,772.26**
12-24 months	-	3,026.58	**3,026.58**
Total	**9,580.43**	**3,026.58**	**12,607.01**

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

Detail	Rate of interest	Total
24-36 months	>=10% <12%	**2,769.96**
Total		**2,769.96**

During the year ended March 31, 2020, the Company issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 Global Medium Term Note Programme. The said notes are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.

During the year ended March 31, 2020, the Company issued and allotted USD 500,000,000 5.100% senior secured notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 Global Medium Term Note Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Company's Social Finance Framework and as may be permitted by the ECB Directions.

During the year ended March 31, 2019, the Company issued and allotted senior secured notes in offshore market (notes) aggregating to INR 2,849.90 crores consisting of 5.70% notes due 2022 under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue have been utilised for the purpose of onward disbursements.

I DEBT SECURITIES (Contd.)

Nature of security

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

C) Senior secured notes

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

Terms of repayment

(Rs. in crores)

Detail	Rate of interest	As at March 31, 2020	As at March 31, 2019
48-60 months	<10%	-	882.97
36-48 months	<10%	885.54	-
24-36 months	<10%	-	317.48
12-24 months	<10%	-	1,364.54
upto 12 months	<10%	319.38	-
Total		**1,204.92**	**2,564.99**

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to INR 1,160 crores consisting of INR 840 crores 8.10% notes due 2023 and INR 320 crores 7.90% notes due 2021 payable in US dollars under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST).

The Company had utilised the entire sum of Rs. 1,160.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Company had issued Rs. 1,350.00 crores 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Exchange (SGX-ST) with a minimum board lot size of S $200,000.

The Company had utilised the entire sum of Rs. 1,350.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

As per the terms of the issue, Rs. 1,350.00 crores were redeemed on February 18, 2020.

Nature of security

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

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

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 months	-	-	454.11	**454.11**
Total	**-**	**-**	**454.11**	**454.11**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	-	-	444.83	**444.83**
Total	**-**	**-**	**444.83**	**444.83**

I DEBT SECURITIES (Contd.)

E) Commercial paper (CP) - unsecured

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

Terms of repayment as on March 31, 2020

Outstanding as at March 31, 2020 is Rs. Nil.

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

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
upto 12 months	3,503.80	-	-	**3,503.80**
Total	**3,503.80**	-	-	**3,503.80**

II BORROWINGS (other than debt securities)

A) Term loans from banks -secured (INR)

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 9.50%	20 instalments of quarterly frequency	2,265.25
36-48 months	8.91% to 9.68%	20 instalments of quarterly frequency	583.49
24-36 months	8.11% to 9.63%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	2,469.48
12-24 months	7.00% to 9.90%	1 to 20 instalments of bullet, quarterly and specific frequency	3,112.87
upto 12 months	7.47% to 12.25%	1 to 36 instalments of bullet, monthly, quarterly, half-yearly and specific frequency	4,828.18
Total			**13,259.27**

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

Nature of security

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

As at March 31, 2019

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 10.74%	20 to 21 instalments of quarterly frequency	749.37
36-48 months	8.56% to 9.48%	20 instalments of quarterly frequency	2,343.59
24-36 months	8.30% to 9.85%	12 to 20 instalments of quarterly and specific frequency	2,169.61
12-24 months	8.45% to 10.35%	7 to 36 instalments of monthly, quarterly and specific frequency	2,256.55
upto 12 months	7.75% to 10.76%	1 to 48 instalments of bullet, monthly, quarterly, half-yearly and yearly frequency	4,312.27
Total			**11,831.39**

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

Nature of security

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

II BORROWINGS (other than debt securities) (Contd.)

B) Term loans from banks -secured (FCNR)

As at March 31, 2020

Outstanding as at March 31, 2020 is Rs. Nil.

As at March 31, 2019

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
upto 12 months	2.59% to 9.37%	1 to 10 instalments of bullet, quarterly and specific frequency	411.52
Total			**411.52**

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

Nature of security

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

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

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	10.20%	11 instalments of specific frequency	227.76
36-48 months	10.50%	11 instalments of specific frequency	461.02
12-24 months	7.95% to 9.21%	11 to 20 instalments of quarterly and specific frequency	646.94
upto 12 months	8.60% to 9.29%	1 to 20 instalments of bullet and quarterly frequency	110.57
Total			**1,446.29**

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

Nature of security

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

As at March 31, 2019

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	10.20%	11 instalments of half-yearly and specific frequency	320.35
48-60 months	10.50%	11 instalments of half-yearly and specific frequency	712.29
36-48 months	8.40% to 9.98%	11 to 20 instalments of quarterly and specific frequency	1,121.92
12-24 months	8.75% to 9.27%	1 to 20 instalments of bullet and quarterly frequency	771.76
upto 12 months	8.60% to 10.50%	1 to 20 instalments of bullet, quarterly and half-yearly frequency	486.72
Total			**3,413.04**

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

Nature of security

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

II BORROWINGS (other than debt securities) (Contd.)

D) External commercial borrowing

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.63% to 11.06%	11 to 13 instalments of half-yearly and specific frequency	1,694.61
36-48 months	9.83% to 10.02%	Bullet frequency	2,606.00
Total			**4,300.61**

Nature of security

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

As at March 31, 2019

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	9.83% to 10.02%	Bullet frequency	2,376.53
Total			**2,376.53**

Nature of security

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

E) Other loans - INR -Securitisation liabilities

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
above 60 months	9.40% to 10.02%	1 to 57 instalments monthly frequency	676.13
48-60 months	7.99% to 10.97%	1 to 63 instalments monthly frequency	9,882.22
36 - 48 months	8.32% to 10.56%	1 to 61 instalments monthly frequency	6,053.47
24 - 36 months	6.90% to 8.87%	1 to 60 instalments monthly frequency	2,526.03
12 - 24 months	7.00% to 7.53%	1 to 55 instalments monthly frequency	303.11
below 12 months	8.28% to 10.21%	1 to 57 instalments monthly frequency	2,011.08
Total			**21,452.04**

Nature of security

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

As at March 31, 2019

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.31% to 10.38%	1 to 61 instalments of monthly frequency	9,473.46
36 - 48 months	6.90% to 8.81%	1 to 60 instalments of monthly frequency	5,795.92
24 - 36 months	7.00% to 8.51%	1 to 55 instalments of monthly frequency	2,170.32
12 - 24 months	7.54% to 8.30%	1 to 55 instalments of monthly frequency	298.82
Total			**17,738.52**

Nature of security

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

II BORROWINGS (other than debt securities) (Contd.)

F) Loans repayable on demand from banks (Cash credit from banks)

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2020
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.00 % to 11.40 %	2,016.39
Total		**2,016.39**

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2019
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.10 % to 11.95 %	1,418.30
Total		**1,418.30**

III DEPOSITS

A) Deposits from public - unsecured -[refer note 64]

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,010.22	-	**1,010.22**
36-48 months	1,140.06	-	**1,140.06**
24-36 months	3,089.58	-	**3,089.58**
12-24 months	3,766.76	-	**3,766.76**
upto 12 months	2,761.85	-	**2,761.85**
Total	**11,768.47**	**-**	**11,768.47**

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

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,050.68	-	**1,050.68**
36-48 months	944.76	-	**944.76**
24-36 months	3,583.09	-	**3,583.09**
12-24 months	2,201.39	-	**2,201.39**
upto 12 months	2,093.31	296.53	**2,389.84**
Total	**9,873.23**	**296.53**	**10,169.76**

III DEPOSITS (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Deposits from public	11,768.47	10,169.76

B) Deposits from corporates - unsecured

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	4.53	-	**4.53**
36-48 months	2.16	-	**2.16**
24-36 months	18.08	-	**18.08**
12-24 months	71.44	-	**71.44**
upto 12 months	56.01	-	**56.01**
Total	**152.22**	**-**	**152.22**

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

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	16.54	-	**16.54**
36-48 months	6.13	-	**6.13**
24-36 months	24.02	-	**24.02**
12-24 months	35.17	-	**35.17**
upto 12 months	63.12	0.34	**63.46**
Total	**144.98**	**0.34**	**145.32**

C) Inter-corporate deposits from associate

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2020
upto 12 months	7.50%	Bullet repayment	39.42
Total			**39.42**

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2019
upto 12 months	9.50%	Bullet repayment	26.38
Total			**26.38**

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities -unsecured - Bonds

i) Privately placed subordinated debts of Rs. 1,000/- each

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	532.07	-	**532.07**
Total	**-**	**532.07**	**-**	**532.07**

IV SUBORDINATED LIABILITIES (Contd.)

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

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
12-24 months	-	492.67	-	**492.67**
upto 12 months	-	466.12	-	**466.12**
Total	-	**958.79**	-	**958.79**

(Rs. in crores)

Subordinated liabilities (unsecured) - Bonds	As at March 31, 2020	As at March 31, 2019
Privately placed	532.07	958.79
Total Subordinated liabilities (unsecured) - Bonds	**532.07**	**958.79**

B) Subordinated liabilities -unsecured - Debentures

i) Privately placed subordinated liabilities of Rs. 100,000/- each

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	74.94	-	**74.94**
Total	-	**74.94**	-	**74.94**

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

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
12-24 months	-	74.92	-	**74.92**
upto 12 months	-	67.04	-	**67.04**
Total	-	**141.96**	-	**141.96**

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

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,570.91	135.51	-	**1,706.42**
48-60 months	40.97	531.22	1,609.30	**2,181.49**
36-48 months	-	332.37	-	**332.37**
24-36 months	-	308.85	-	**308.85**
12-24 months	-	-	51.86	**51.86**
upto 12 months	-	482.07	-	**482.07**
Total	**1,611.88**	**1,790.02**	**1,661.16**	**5,063.06**

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

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,611.01	662.08	1,580.12	**3,853.21**
48-60 months	-	332.10	-	**332.10**
36-48 months	-	308.59	-	**308.59**
24-36 months	-	-	51.77	**51.77**
12-24 months	-	481.33	-	**481.33**
upto 12 months	-	74.13	-	**74.13**
Total	**1,611.01**	**1,858.23**	**1,631.89**	**5,101.13**

IV SUBORDINATED LIABILITIES (Contd.)

(Rs. in crores)

Subordinated liabilities (unsecured) - Debentures	As at March 31, 2020	As at March 31, 2019
Privately placed (i+ii)	5,138.00	5,243.09
Total Subordinated liabilities (unsecured) - Debentures	**5,138.00**	**5,243.09**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
26 OTHER FINANCIAL LIABILITIES		
Investor education and protection fund shall be credited by the following amounts (as and when due)		
- Unclaimed dividend	10.57	10.69
- Unclaimed matured deposits and interest accrued thereon	150.02	173.40
- Unclaimed matured debentures and interest accrued thereon	15.45	18.33
- Unclaimed matured subordinated debts and interest accrued thereon	81.69	46.61
Temporary credit balance in bank accounts	26.63	68.95
Payable on account of assignment	78.78	131.67
Payable to dealers	0.99	6.20
Payable to employees	146.41	125.15
Retention money and other sundry liabilities	217.27	217.73
Other liabilities *	184.51	217.75
Total	**912.32**	**1,016.48**

* Other liabilities include amount payable to Banks for credit card payments, settlement dues payable to resigned employees.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
27 CURRENT TAX LIABILITIES (NET)		
For taxation [net of advance tax Rs. 1,077.82 crores (March 31, 2019: Rs. 2.64 crores)]	102.02	102.97
Total	**102.02**	**102.97**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
28 PROVISIONS		
For employee benefits		
For gratuity (refer note 46)	3.37	1.28
For compensated absences (leave encashment and availment)	34.06	27.47
For others		
For undrawn loan commitment	16.15	11.76
For taxes- contested	92.75	92.75
Total	**146.33**	**133.26**

28 PROVISIONS (Contd.)

Financial guarantee obligation

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

Gross exposure reconciliation

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance of outstanding exposure	-	**871.76**
Additions	-	-
Deletions	-	(871.76)
Closing balance of outstanding exposure	-	-

Reconciliation of ECL on financial guarantee obligation is given below:

(Rs. in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Particulars	**Simplified approach**	**Simplified approach**
Financial guarantee obligation - opening balance	-	**72.93**
Additions	-	-
Deletions	-	(72.93)
Financial guarantee obligation - closing balance	-	-

Loan commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.06.

(Rs. in crores)

	As at March 31, 2020	As at March 31, 2019
Particulars	**Stage 1 Collective**	**Stage 1 Collective**
Internal rating grade		
Performing		
High grade	311.87	471.92
Total	**311.87**	**471.92**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(Rs. in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Particulars	**Stage 1**	**Stage 1**
Opening balance of outstanding exposure	**471.92**	**124.86**
New exposures	233.39	449.02
Exposures derecognised or matured/repaid (excluding write offs)	(393.44)	(101.96)
Closing balance of outstanding exposure	**311.87**	**471.92**

28 PROVISIONS (Contd.)

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

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	General approach	General approach
	Stage 1	Stage 1
ECL allowance - opening balance	11.76	5.05
New exposures	10.78	11.13
Exposures derecognised or matured (excluding write offs)	(6.39)	(4.42)
ECL allowance - closing balance	**16.15**	**11.76**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	73.96	54.87
Advance from customers	9.32	14.62
Total	**83.28**	**69.49**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
30 EQUITY SHARE CAPITAL		
Authorised:		
647,000,000 (March 31, 2019: 647,000,000) equity shares of Rs.10/- each	647.00	647.00
95,000,000 (March 31, 2019: 95,000,000) preference shares of Rs.100/- each	950.00	950.00
	1,597.00	**1,597.00**
Issued share capital		
226,888,877 (March 31, 2019: 226,936,877) equity shares of Rs. 10/- each	226.89	226.94
Subscribed share capital		
226,882,736 (March 31, 2019: 226,930,736) equity shares of Rs. 10/- each	226.88	226.93
Paid up (fully paid up)		
Equity shares		
226,882,736 (March 31, 2019: 226,882,736) equity shares of Rs. 10/- each fully paid up	226.88	226.88
	226.88	**226.88**
Nil [March 31, 2019: 48,000 equity shares of Rs.10/- each (Rs. 5/- each paid up forfeited)] *	-	0.02
Total Equity	**226.88**	**226.90**

* The shareholders in their 40th annual general meeting held on June 27, 2019 considered and approved the cancellation of the forfeited shares from the issued and subscribed share capital of the Company.

30 EQUITY SHARE CAPITAL (Contd.)

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2018	**226,882,736**	**226.88**
Issued during the year	-	-
As at March 31, 2019	**226,882,736**	**226.88**
Issued during the year	-	-
As at March 31, 2020	**226,882,736**	**226.88**

b. Terms/ rights attached to equity shares

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

During the year ended March 31, 2020, the total dividend per equity share proposed for distribution to equity shareholders is Rs. 5.00 (March 31, 2019 : Rs. 12.00). Out of the said total dividend proposed for the year ended March 31, 2020, amount of interim dividend paid during the year was Rs. 5.00 (March 31, 2019 : Rs. 5.00) per equity share and amount of final dividend proposed by the Board of Directors is Rs. Nil (March 31, 2019: Rs. 7.00) per equity share. The Board of Directors at its meeting held on October 24, 2019, had declared interim dividend of Rs. 5/- per equity share of Rs. 10/- each for the financial year 2019-2020. The payment was made on November 19, 2019. In order to conserve cash resources to face the challenges and the contingencies created by Corona virus pandemic, the Board of Directors have not recommended the final dividend. As such, the interim dividend shall be the final dividend for the financial year 2019-20.

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

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

Nil.

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

Details of shareholding	As at March 31, 2020		As at March 31, 2019	
Name of the shareholder	**Number of shares**	**% holding**	**Number of shares**	**% holding**
Equity shares of Rs. 10/- each				
Shriram Capital Limited	59,504,947	26.23%	59,173,023	26.08%
Piramal Enterprises Limited	Nil	Nil	22,600,000	9.96%

e. Refer note 51- Capital management for the Company's objectives, policies and processes for managing capital

f. Proposed dividends on equity shares:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Proposed dividend on equity shares for the year ended on March 31, 2020: Rs. Nil per share (March 31, 2019: Rs. 7.00 per share)	-	158.82
Tax on proposed dividend	-	32.65
Total	**-**	**191.47**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
31 OTHER EQUITY		
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening Balance	**3,168.55**	**2,654.55**
Add: Transfer from retained earnings	500.38	514.00
Closing balance	**3,668.93**	**3,168.55**
Securities premium account	**1,754.81**	**1,754.81**
Capital reserve		
Opening Balance	**27.62**	**27.62**
Add: Transfer from share forfeiture account	0.02	-
Closing balance	**27.64**	**27.62**
Capital redemption reserve	**53.88**	**53.88**
Debenture redemption reserve		
Opening Balance	**374.62**	**216.59**
Add: Transfer from retained earnings	345.26	251.47
Less: Transfer to retained earnings on account of redemption	(109.47)	-
Less: Transfer to general reserve on account of redemption	-	(93.44)
Closing balance	**610.41**	**374.62**
General reserve		
Opening Balance	**2,164.35**	**1,813.91**
Add: Transfer from retained earnings	250.19	257.00
Add: Transfer from debenture redemption reserve	-	93.44
Closing balance	**2,414.54**	**2,164.35**
Other comprehensive income		
Opening balance	**(4.92)**	**(2.60)**
Add: Other comprehensive income / (loss) for the year (net of tax)	(4.74)	(2.32)
Closing balance	**(9.66)**	**(4.92)**
Retained earnings		
Opening balance	**8,070.47**	**6,829.82**
Add: Profit for the current year	2,501.84	2,563.99
Add / Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(500.38)	(514.00)
Transfer to general reserve	(250.19)	(257.00)
Transfer to/from debenture redemption reserve	(235.79)	(251.47)
Interim dividend	(113.44)	(113.44)
Tax on interim dividend	(23.32)	(23.32)
Final dividend	(158.82)	(136.13)
Tax on final dividend	(32.64)	(27.98)
Total appropriations	**(1,314.58)**	**(1,323.34)**
Retained earnings	**9,257.73**	**8,070.47**
Total	**17,778.28**	**15,609.38**

Nature and purpose of reserves

Securities premium account: The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

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

Capital redemption reserve: The Company has recognised Capital redemption reserve on redemption of non-convertible redeemable preference shares from its retained earnings. The amount in Capital redemption reserve is equal to nominal

31 OTHER EQUITY (Contd.)

amount of the non-convertible redeemable preference shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date.

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 345.26 crores (March 31, 2019: Rs. 251.47 crores). The Company subsequent to the year end has deposited a sum of Rs. 15.84 crores (March 31, 2019: Rs. 70.00 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the Retained earnings.

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

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

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

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

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

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

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

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

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

(Rs. in crores)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
32 INTEREST INCOME						
Interest on loans	15,690.72	-	**15,690.72**	14,945.10	-	**14,945.10**
Interest income from investments	214.53	1.00	**215.53**	182.27	0.98	**183.25**
Interest on deposits with banks						
- Margin money deposit	208.75	-	**208.75**	159.78	-	**159.78**
- Deposits with banks	66.95	-	**66.95**	4.08	-	**4.08**
Other interest income						
- delayed payments by customers	60.52	-	**60.52**	33.88	-	**33.88**
- unwinding of security deposit	3.05	-	**3.05**	0.46	-	**0.46**
- direct assignment	21.94	-	**21.94**	9.14	-	**9.14**
Total	**16,266.46**	**1.00**	**16,267.46**	**15,334.71**	**0.98**	**15,335.69**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
33 FEE AND COMMISSION INCOME		
Income from loan related services	73.53	55.30
Income from commission services- life insurance	20.39	23.67
Income from commission services- general insurance	63.58	40.80
Income from commission services- others	37.47	6.83
Total	**194.97**	**126.60**

Revenue from contracts with customers

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

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Type of services or service		
Fee and commission income	194.97	126.60
Total revenue from contract with customers	**194.97**	**126.60**
Geographical markets		
India	194.97	126.60
Outside India	-	-
Total revenue from contract with customers	**194.97**	**126.60**
Timing of revenue recognition		
Services transferred at a point in time	194.97	126.60
Services transferred over time	-	-
Total revenue from contracts with customers	**194.97**	**126.60**

33 FEE AND COMMISSION INCOME (Contd.)

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	10.50	8.48
Contract assets	-	-

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

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
34 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES		
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others:		
- Investment in shares, venture capital fund and mutual funds	(0.87)	0.52
- Derivatives	(5.88)	(3.10)
Total Net gain/(loss) on fair value changes (C)	**(6.75)**	**(2.58)**
Fair value changes:		
- Realised	-	-
- Unrealised	(6.75)	(2.58)
Total Net gain/(loss) on fair value changes(D)	**(6.75)**	**(2.58)**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
35 OTHER OPERATING INCOME		
Bad debt recovery	80.73	24.17
Short term capital gain on sale of mutual funds and certificate of deposits	18.79	37.48
Total	**99.52**	**61.65**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
36 OTHER INCOME		
Interest on income tax refund	5.80	6.66
Profit on sale of assets	1.17	-
Miscellaneous income	13.30	20.85
Total	**20.27**	**27.51**

(Rs. in crores)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
37	**FINANCE COSTS**		
	On Financial liabilities measured at amortised cost		
	Interest on deposits	973.80	841.66
	Interest on borrowings (other than debt securities)		
	- Loans from banks	1,251.44	1,392.08
	- Loans from institutions and others	217.98	298.06
	- External commercial borrowings	461.83	151.45
	- Interest paid on securitisation	1,743.54	1,320.14
	Interest on debt securities		
	- Debentures	1,950.39	2,257.32
	- Senior secured notes	214.37	227.55
	- External commercial bond	656.82	27.91
	- Commercial paper	104.50	445.20
	Interest on subordinated liabilities	661.86	549.89
	Other interest expense		
	- Interest on lease liability	33.73	-
	Total	**8,270.26**	**7,511.26**

(Rs. in crores)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
38	**FEE AND COMMISSION EXPENSE**		
	Brokerage	9.23	14.78
	Professional charges-resource mobilisation	29.29	24.25
	Processing charges on loans	1.89	2.20
	Professional charges on securitisation	16.47	20.96
	Total	**56.88**	**62.19**

(Rs. in crores)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
39	**IMPAIRMENT OF FINANCIAL INSTRUMENTS**		
	On financial instruments measured at amortised cost		
	Loans (refer note 62)	2,748.87	2,450.51
	Investments	42.22	(0.06)
	Others		
	Undrawn commitments	4.39	6.71
	Other assets	(0.60)	(74.90)
	Total	**2,794.88**	**2,382.26**

39 IMPAIRMENT OF FINANCIAL INSTRUMENTS (Contd.)

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

Year ended March 31, 2020

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
39 IMPAIRMENT OF FINANCIAL INSTRUMENTS					
Loans and advances to customers	1,088.82	(20.86)	1,680.91	-	**2,748.87**
Debt instruments measured at amortised cost	23.78	18.44	-	-	**42.22**
Undrawn commitments	4.39	-	-	-	**4.39**
Others	-	-	-	(0.60)	**(0.60)**
Total impairment loss	**1,116.99**	**(2.42)**	**1,680.91**	**(0.60)**	**2,794.88**

Year ended March 31, 2019

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
Loans and advances to customers	478.90	381.55	1,590.06	-	**2,450.51**
Debt instruments measured at amortised cost	-	-	-	(0.06)	**(0.06)**
Undrawn commitments	6.71	-	-	-	**6.71**
Others	-	-	-	(74.90)	**(74.90)**
Total impairment loss	**485.61**	**381.55**	**1,590.06**	**(74.96)**	**2,382.26**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
40 EMPLOYEE BENEFITS EXPENSES		
Salaries, other allowance and bonus	926.57	814.24
Contribution to provident and other funds	53.72	46.37
Staff welfare expenses	24.99	17.88
Gratuity expenses	5.54	4.57
Total	**1,010.82**	**883.06**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
41 DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Depreciation of tangible assets	48.62	41.94
Amortisation of intangible assets	1.26	1.03
Lease depreciation	91.17	-
Total	**141.05**	**42.97**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
42 OTHER EXPENSES		
Rent	9.88	105.50
Rates and taxes	2.56	11.55
Energy costs	21.08	18.29
Repairs and maintenance	56.76	45.79
Communication costs	49.17	49.05
Printing and stationery	19.33	13.62
Advertisement and publicity	14.27	15.70
Director's fees, allowances, and expenses	0.66	0.65
Auditor fees and expenses		
As Auditor:		
- Audit fees	0.88	0.84
- Tax audit fees	0.09	0.09
- Out of pocket	0.04	0.06
In any other manner:		
- Certification	0.08	0.04
Legal and professional charges	58.18	45.82
Other expenditure:		
Travelling and conveyance	123.22	127.54
Business promotion	47.71	43.72
Outsourcing expenses	75.99	42.17
Royalty	180.75	169.45
Insurance	1.38	2.36
Bank charges	43.18	52.54
Loss on sale of investments	0.12	-
Loss on sale of fixed assets (net)	-	0.51
Service charges	45.67	43.49
CSR expenses [Refer note 60]	53.16	40.06
Miscellaneous expenses	59.16	65.23
Total	**863.32**	**894.07**

43 INCOME TAX

The components of income tax expense for the year ended March 31, 2020 and March 31, 2019 and are:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	921.20	1,346.37
Adjustment in respect of current income tax of prior years	0.84	(109.82)
Deferred tax relating to origination and reversal of temporary differences	14.79	(22.27)
Total tax charge	**936.83**	**1,214.28**
Current tax	922.04	1,236.55
Deferred tax	14.79	(22.27)

43 INCOME TAX (Contd.)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. During the year, the Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company had recognised and remeasured Provision for Income Tax and Deferred Tax based on the rate prescribed in the said section. Accordingly, total benefit derived by the Company on adoption of new tax rate is Rs. 357.44 crores in current tax and reversal of Rs. 21.18 crores in deferred tax asset for the year ended March 31, 2020.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2020 and March 31, 2019 is, as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	3,438.67	3,778.27
At India's statutory income tax rate of 25.168% (2019: 34.944%)	865.44	1,320.28
Adjustment in respect of current income tax of prior years	0.84	(109.82)
Income subject to tax at special rate		
Long term capital gain on sale of property	(0.07)	-
Income not subject to tax		
Others	-	(11.51)
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	13.38	0.55
Deduction under chapter VIA of the Income Tax Act, 1961 (section 80G)	-	6.37
Reversal of deferred tax no longer required	26.25	-
Reversal of deferred tax asset on account of adoption of new Income Tax rate	21.18	-
Others	9.81	8.41
Income tax expense reported in the statement of profit and loss	**936.83**	**1,214.28**

The effective income tax rate for March 31, 2020 is 27.24% (March 31, 2019: 32.14%).

Deferred tax

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

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	19.45	-	(2.65)	-
Provision for post retirement benefits	9.42	-	(0.56)	(1.59)
Expenses allowable for tax purposes when paid	25.45	-	-	-
Reversal of deferred tax no longer required	-	-	26.25	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	14.21	(13.10)	-
Impairment allowance for undrawn commitments	10.05	-	(7.09)	-
Fair valuation of derivative financial instrument	-	1.48	-	-
Right-of-use assets	8.80	-	(4.78)	-
Reversal of deferred tax asset on account of adoption of new Income Tax rate	-	-	21.18	-
Other temporary differences	5.02	-	(4.45)	-
Total	**78.19**	**15.69**	**14.79**	**(1.59)**

43 INCOME TAX (Contd.)

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	23.52	-	(3.05)	-
Provision for post retirement benefits	10.05	-	(0.75)	(1.24)
Expenses allowable for tax purposes when paid	35.34	-	1.25	-
EIR impact on debt instrument in the nature of advances measured at amortised cost	36.44	-	24.68	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	37.91	(37.49)	-
Impairment allowance for undrawn commitments	4.11	-	(2.35)	-
Fair valuation of derivative financial instrument	-	2.06	(1.08)	-
Other temporary differences	6.23	0.02	(3.48)	-
Total	**115.69**	**39.99**	**(22.27)**	**(1.24)**

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

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

Tax losses

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Unused tax losses for which no deferred tax asset has been recognised	-	-

44 EARNINGS PER SHARE

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

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit after tax as per Statement of Profit and Loss (Rs. in crores) **(A)**	2,501.84	2,563.99
Weighted average number of equity shares for calculating basic EPS (in crores) **(B)**	22.69	22.69
Weighted average number of equity shares for calculating diluted EPS (in crores) **(C)**	22.69	22.69
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (B)**	110.27	113.01
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (C)**	110.27	113.01

45 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

Associate of the Company is:

Name of the associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2020	% equity interest March 31, 2019
Shriram Automall India Limited (SAMIL)	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in associate under equity method and not adjusted to fair value at the end of each reporting period.

The Company's share in the associate is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) share in profit or loss from continuing operations.	10.43	11.69
(b) share in post-tax profit or loss from discontinued operations.	-	-
(c) share in other comprehensive income.	0.25	(0.10)
(d) share in total comprehensive income.	10.68	11.59

46 RETIREMENT BENEFIT PLAN

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 41.06 crores (March 31, 2019: Rs. 31.96 crores) for Provident fund contributions and Rs. 12.54 crores (March 31, 2019: Rs. 14.30 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2020, 82 % funds are invested in government securities and balance 18% funds are invested in other equity and debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

46 RETIREMENT BENEFIT PLAN (Contd.)

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

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

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	5.45	4.72
Interest expense	3.78	3.22
Interest Income	(3.68)	(3.37)
Past service cost	-	-
Components of defined benefit costs recognised in profit or loss (A)	**5.55**	**4.57**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(1.18)	0.74
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	4.80	0.56
Experience adjustments	2.71	2.26
Components of defined benefit costs recognised in other comprehensive income (B)	**6.33**	**3.56**
Total (A+B)	**11.88**	**8.13**

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

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	49.43	41.30
Expenses recognised in statement of profit and loss :		
Current service cost	5.45	4.72
Interest expense/(income)	3.78	3.22
Recognised in other comprehensive income remeasurement gains/(losses)	7.51	2.83
Past service cost	-	-
Liability transferred in/acquisitions	-	0.09
Benefits paid from the fund	(2.92)	(2.73)
Present value of defined obligation at the end of the year	**63.25**	**49.43**

Change in the Fair value of plan assets :

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year	48.15	43.23
Interest income	3.68	3.37
Contributions by the employer	9.79	5.02
Benefits paid from the fund	(2.92)	(2.73)
Return on plan assets excluding interest income	1.18	(0.74)
Fair value of plan assets at the end of the year	**59.88**	**48.15**

46 RETIREMENT BENEFIT PLAN (Contd.)

Calculation of benefit liability/(asset) :

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	63.25	49.43
Fair value of plan assets	59.88	48.15
Benefit liability	**3.37**	**1.28**

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

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Expected return on plan assets	6.56%	7.64%
Rate of discounting	6.56%	7.64%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment funds	59.88	48.15
Total	**59.88**	**48.15**

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2020	Impact on defined benefit obligation March 31, 2019
Discount rate	1% increase	(4.47)	(3.32)
	1% decrease	5.14	3.81
Future salary increases	1% increase	5.10	3.81
	1% decrease	(4.51)	(3.37)
Attrition rate	1% increase	0.49	0.72
	1% decrease	(0.57)	(0.82)

46 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Expected payment for future years	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	6.35	4.99
Between 2 and 5 years	21.74	18.42
Between 5 and 10 years	25.62	21.52
Beyond 10 years	64.26	56.02
Total expected payments	**117.97**	**100.95**

The Company expects to contribute Rs. 10.09 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 9 years (March 31, 2019: 9 years)

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

c) Compensated Absences

The principal assumptions used in determining obligations for the Company are shown below:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Rate of discounting	6.56%	7.64%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	20.00%	20.00%
Service 5 years and above	7.50%	7.50%
Mortality	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expenses recognised in statement of profit and loss	17.94	14.52

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2020.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

(Rs. in crores)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,088.99	-	**3,088.99**	1,029.14	-	**1,029.14**
Bank balance other than above	4,204.15	21.78	**4,225.93**	2,233.05	719.28	**2,952.33**
Derivative financial instruments	758.73	-	**758.73**	21.72	-	**21.72**
Receivables						
(I) Trade receivables	10.50	-	**10.50**	8.48	-	**8.48**
(II) Other receivables	5.64	-	**5.64**	19.94	-	**19.94**
Loans	28,287.31	73,944.32	**102,231.63**	36,655.28	60,096.21	**96,751.49**
Investments	361.47	2,437.01	**2,798.48**	2,011.10	1,987.97	**3,999.07**
Other financial assets	-	45.15	**45.15**	-	36.88	**36.88**
Non-financial Assets						
Current tax asset	-	249.10	**249.10**	-	106.58	**106.58**
Deferred tax assets (net)	-	62.50	**62.50**	-	75.70	**75.70**
Investment property	-	2.03	**2.03**	-	2.06	**2.06**
Property, plant and equipment	-	149.88	**149.88**	-	143.46	**143.46**
Right-of-use assets	-	327.84	**327.84**	-	-	-
Other intangible assets	-	2.67	**2.67**	-	1.97	**1.97**
Other non-financial assets	44.10	125.47	**169.57**	62.00	81.66	**143.66**
Total assets	**36,760.89**	**77,367.75**	**114,128.64**	**42,040.71**	**63,251.77**	**105,292.48**
Liabilities						
Financial Liabilities						
Derivative financial liabilities	-	-	-	83.42	-	**83.42**
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.40	-	**0.40**	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	143.44	-	**143.44**	133.46	-	**133.46**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.13	-	**1.13**	2.72	-	**2.72**
Debt securities	6,484.83	27,782.13	**34,266.96**	13,044.83	21,136.93	**34,181.76**
Borrowings (other than debt securities)	16,550.38	25,924.22	**42,474.60**	17,820.26	19,369.04	**37,189.30**
Deposits	2,857.28	9,102.84	**11,960.12**	2,479.79	7,861.67	**10,341.46**
Subordinated liabilities	1,114.07	4,556.00	**5,670.07**	670.20	5,531.68	**6,201.88**
Other financial liabilities	787.82	124.50	**912.32**	1,001.43	15.05	**1,016.48**
Lease liabilities	80.97	281.84	**362.81**	-	-	-
Non-financial Liabilities						
Current tax liabilities (net)	102.02	-	**102.02**	102.97	-	**102.97**
Provisions	112.27	34.06	**146.33**	107.57	25.69	**133.26**
Other non-financial liabilities	83.28	-	**83.28**	-	69.49	**69.49**
Total Liabilities	**28,317.89**	**67,805.59**	**96,123.48**	**35,446.65**	**54,009.55**	**89,456.20**
Net	**8,443.00**	**9,562.16**	**18,005.16**	**6,594.06**	**9,242.22**	**15,836.28**

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2019	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2020
Debt securities	34,181.76	(831.77)	-	-	916.97	34,266.96
Borrowings (other than debt securities)	37,189.30	5,139.66	-	-	145.64	42,474.60
Deposits	10,341.46	1,619.31	-	-	(0.65)	11,960.12
Subordinated liabilities	6,201.88	(573.50)	-	-	41.69	5,670.07
Lease liabilities	-	110.46	-	-	252.35	362.81
Total liabilities from financing activities	**87,914.40**	**5,464.16**	**-**	**-**	**1,356.00**	**94,734.56**

(Rs. in crores)

Particulars	As at March 31, 2018	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2019
Debt securities	32,432.62	1,984.43	-	-	(235.29)	34,181.76
Borrowings (other than debt securities)	36,108.54	402.56	-	-	678.20	37,189.30
Deposits	8,597.75	1,733.21	-	-	10.50	10,341.46
Subordinated liabilities	4,991.94	1,431.63	-	-	(221.69)	6,201.88
Total liabilities from financing activities	**82,130.85**	**5,551.83**	**-**	**-**	**231.72**	**87,914.40**

49 CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

(A) Contingent Liabilities

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
a. In respect of Income tax demands where the Company has filed appeal before various authorities	133.64	78.70
b. VAT demand where the Company has filed appeal before various appellates	117.21	124.30
c. Service tax demands where the Company has filed appeal before various authorities	325.99	198.31
d. Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	-
Total	**581.84**	**401.31**

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

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

49 CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS (Contd.)

(B) Commitments not provided for

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	4.15	5.55
b. Commitments related to loans sanctioned but undrawn	311.87	471.92

(C) Lease arrangements

As a lessee

Lease :

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

(Rs. in crores)

Particulars	As at March 31, 2019
Within one year	30.95
After one year but not more than five years	95.17
More than five years	29.99
Total	**156.11**

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to the lease contracts existing on April 01, 2019 using the modified retrospective approach, recognising right-of-use assets and adjusted lease liability. As per Ind AS 116, lease commitments are recognised as lease liability and need not be disclosed under contingent liabilities and commitments.

50 RELATED PARTY DISCLOSURES

Relationship		Name of the party
I	Promoter	: Shriram Capital Limited
II	Promoter group	: Shriram Ownership Trust Shriram Financial Ventures (Chennai) Private Limited Shriram Value Services Limited Novac Technology Solutions (P) Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Advisors Limited Bharath Investments Pte. Ltd., Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited (from May 20, 2019)
III	Associates	Shriram Automall India Limited (SAMIL) Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited (w.e.f. January 08, 2020)
IV	Key Management Personnel	: Mr. Umesh Revankar, Managing Director & CEO Mr. Amitabh Chaudhry (upto October 25, 2018) Mr. S. Lakshminarayanan Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Sumatiprasad M Bafna (upto March 31, 2019) Mr. Pradeep Kumar Panja (from October 25, 2018) Mr. D. V. Ravi Mr. Puneet Bhatia Mr. Ignatius Michael Viljoen (from May 14, 2019) Mr. Gerrit Lodewyk Van Heerde (upto May 08, 2019)
V	Relatives of Key Management Personnel	: Mrs. Suchita U. Revankar (spouse of Managing Director & CEO) Mr. Shreyas U. Revankar (son of Managing Director & CEO) Mrs. Geeta G. Revankar (mother of Managing Director & CEO) Mr. Anil G. Revankar (brother of Managing Director & CEO) Mr. Shirish U. Revankar (son of Managing Director & CEO)
VI	Employees' benefit plan	Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

50 RELATED PARTY DISCLOSURES (Contd.)

Summary of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Payments/Expenses														
Payment to key management personnel	-	-	-	-	-	-	-	-	1.76	1.26	-	-	**1.76**	**1.26**
Royalty	-	-	169.69	155.46	-	-	-	-	-	-	-	-	**169.69**	**155.46**
Service charges	41.90	39.90	-	-	-	-	-	-	-	-	-	-	**41.90**	**39.90**
I.T & BPO charges	-	-	68.88	38.00	-	-	-	-	-	-	-	-	**68.88**	**38.00**
Rent	0.78	-	0.02	0.02	7.04	4.44	-	-	-	-	-	-	**7.84**	**4.46**
Business mobilisation expenses	-	-	-	-	0.04	1.47	-	-	-	-	-	-	**0.04**	**1.47**
Other administrative expenses	0.04	-	-	-	11.11	0.82	-	-	-	-	-	-	**11.15**	**0.82**
Insurance premium	-	-	8.91	7.60	-	-	-	-	-	-	-	-	**8.91**	**7.60**
Commission	-	-	34.97	41.74	-	-	-	-	-	-	-	-	**34.97**	**41.74**
Sales promotion	-	-	1.92	1.61	-	-	-	-	-	-	-	-	**1.92**	**1.61**
Valuation charges	-	-	-	-	0.09	-	-	-	-	-	-	-	**0.09**	-
Interest	0.26	0.38	53.74	52.66	2.97	2.36	-	-	0.33	0.17	0.01	0.01	**57.32**	**55.59**
Equity dividend	71.17	65.09	-	-	-	-	-	-	-	-	0.00	0.00	**71.17**	**65.09**
Non-convertible debenture matured	-	-	80.11	1.60	-	-	-	-	-	-	-	0.01	**80.11**	**1.61**
Fixed deposit matured	-	-	14.00	-	-	-	-	-	-	-	0.01	0.03	**14.01**	**0.03**
Subordinated debt matured	1.72	0.54	45.00	7.07	1.39	1.15	-	-	-	-	-	0.01	**48.11**	**8.77**
Unsecured loan and advances	-	-	-	-	-	7.86	-	-	-	-	-	-	**-**	**7.86**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.79	5.01	-	-	-	-	**9.79**	**5.01**
Inter corporate deposit repaid	74.00	-	-	-	51.50	28.35	-	-	-	-	-	-	**125.50**	**28.35**
Receipts/Income														
Common sharing expenses	0.01	0.01	1.17	1.16	0.65	0.52	-	-	-	-	-	-	**1.83**	**1.70**
Rent & electricity	0.15	0.18	-	-	4.64	4.14	-	-	-	-	-	-	**4.79**	**4.32**
Other administrative expenses	-	-	-	-	0.14	2.55	-	-	-	-	-	-	**0.14**	**2.55**
Commission	-	-	79.11	61.08	-	-	-	-	-	-	-	-	**79.11**	**61.08**
Sale of Trade mark - Shriram Automall India Limited	-	-	-	-	-	0.06	-	-	-	-	-	-	**-**	**0.06**
Subordinated debt	-	-	-	25.00	-	-	-	-	-	-	-	-	**-**	**25.00**
Non-convertible debenture	-	-	2.86	11.74	-	-	-	-	0.10	2.00	-	-	**2.96**	**13.74**
Fixed deposit	-	-	1.50	14.00	-	-	-	-	-	0.50	0.05	0.03	**1.55**	**14.53**
Unsecured loan and advances repaid	-	-	-	-	14.44	7.41	-	-	-	-	-	-	**14.44**	**7.41**
Inter corporate deposit received	74.00	-	-	-	63.40	25.95	-	-	-	-	-	-	**137.40**	**25.95**
Balance outstanding at the year end														
Share capital	59.55	59.17	-	-	-	-	-	-	-	-	0.00	0.00	**59.56**	**59.17**
Investment in equity shares	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**
Unsecured loan and advances receivable	-	-	-	-	-	0.58	-	-	-	-	-	-	**-**	**0.58**
Unsecured loan and advances payable	-	-	-	-	0.41	-	-	-	-	-	-	-	**0.41**	-
Rent receivable	-	0.01	-	0.02	-	-	-	-	-	-	-	-	**-**	**0.03**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Commission receivable	-	-	9.56	7.65	-	-	-	-	-	-	-	-	**9.56**	**7.65**
Commission payable	-	-	-	2.62	-	-	-	-	-	-	-	-	**-**	**2.62**
Prepaid for insurance premium	-	-	2.84	2.15	-	-	-	-	-	-	-	-	**2.84**	**2.15**
Outstanding expenses	10.43	10.78	44.13	43.01	-	-	-	-	-	-	-	-	**54.55**	**53.78**
Fixed deposit	-	-	1.55	14.99	-	-	-	-	1.45	1.34	0.13	0.08	**3.13**	**16.41**
Subordinated debt	0.41	3.14	422.19	470.39	2.76	2.79	-	-	-	-	-	-	**425.37**	**476.32**
Non-convertible debenture	-	-	15.12	95.01	22.77	-	-	-	2.61	2.30	-	-	**40.50**	**97.30**
Expenses recoverable	-	0.00	-	0.21	-	-	-	-	-	-	-	-	**-**	**0.21**
Inter corporate deposit	-	-	-	-	39.42	26.38	-	-	-	-	-	-	**39.42**	**26.38**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Payments/Expenses														
Employee benefits for key management personnel														
- Short term benefits	-	-	-	-	-	-	-	-	0.97	0.53	-	-	**0.97**	**0.53**
- Post employment benefits	-	-	-	-	-	-	-	-	0.19	0.14	-	-	**0.19**	**0.14**
Commission & sitting fee paid to directors														
- Mr. Amitabh Chaudhry	-	-	-	-	-	-	-	-	0.04	0.10	-	-	**0.04**	**0.10**
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	0.12	0.12	-	-	**0.12**	**0.12**
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.14	0.12	-	-	**0.14**	**0.12**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	0.12	-	-	**0.10**	**0.12**
- Mr. Sumatiprasad M. Bafna	-	-	-	-	-	-	-	-	0.09	0.11	-	-	**0.09**	**0.11**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.11	0.02	-	-	**0.11**	**0.02**
License Fees														
- Shriram Ownership Trust	-	-	82.81	155.46	-	-	-	-	-	-	-	-	**82.81**	**155.46**
- Shriram Value Services Limited	-	-	86.87	-	-	-	-	-	-	-	-	-	**86.87**	**-**
Service charges to Shriram Capital Limited	41.90	39.90	-	-	-	-	-	-	-	-	-	-	**41.90**	**39.90**
Voice Call services														
- Shriram Value Services Limited	-	-	21.26	38.00	-	-	-	-	-	-	-	-	**21.26**	**38.00**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Novac Technology Solutions (P) Ltd.	-	-	7.43	-	-	-	-	-	-	-	-	-	**7.43**	-
I.T & BPO charges to Novac Technology Solutions (P) Ltd.	-	-	40.18	-	-	-	-	-	-	-	-	-	**40.18**	-
Rent														
- Shriram Automall India Limited	-	-	-	-	7.04	4.44	-	-	-	-	-	-	**7.04**	**4.44**
- Shriram Capital Limited	0.78	-	-	-	-	-	-	-	-	-	-	-	**0.78**	-
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Business mobilisation expenses - Shriram Automall India Limited	-	-	-	-	0.04	1.47	-	-	-	-	-	-	**0.04**	**1.47**
Other administrative expenses														
- Shriram Capital Limited	0.04	-	-	-	-	-	-	-	-	-	-	-	**0.04**	-
- Shriram Automall India Limited	-	-	-	-	11.11	0.82	-	-	-	-	-	-	**11.11**	**0.82**
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	5.63	5.30	-	-	-	-	-	-	-	-	**5.63**	**5.30**
- Shriram General Insurance Company Limited	-	-	3.28	2.30	-	-	-	-	-	-	-	-	**3.28**	**2.30**
Commission														
- Shriram Fortune Solutions Limited	-	-	26.03	33.92	-	-	-	-	-	-	-	-	**26.03**	**33.92**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	3.31	2.29	-	-	-	-	-	-	-	-	**3.31**	**2.29**
- Shriram Insight Share Brokers Limited	-	-	5.63	5.53	-	-	-	-	-	-	-	-	**5.63**	**5.53**
Sales promotion														
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	0.75	0.45	-	-	-	-	-	-	-	-	**0.75**	**0.45**
- Shriram Insight Share Brokers Limited	-	-	1.17	1.16	-	-	-	-	-	-	-	-	**1.17**	**1.16**
Interest on Inter corporate Deposit														
- Shriram Automall India Limited	-	-	-	-	2.34	1.99	-	-	-	-	-	-	**2.34**	**1.99**
- Shriram Capital Limited	0.17	-	-	-	-	-	-	-	-	-	-	-	**0.17**	-
Valuation charges paid to - Adroit Inspection Service Private Limited	-	-	-	-	0.09	-	-	-	-	-	-	-	**0.09**	-
Interest on fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	0.11	0.09	-	-	**0.11**	**0.09**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.01	0.01	**0.01**	**0.01**
- Shriram Fortune Solutions Limited	-	-	0.38	0.99	-	-	-	-	-	-	-	-	**0.38**	**0.99**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Shriram Asset management Company Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	-
Interest on subordinated debt														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.00	-	**0.00**
- Shriram Automall India Limited	-	-	-	-	0.44	0.37	-	-	-	-	-	-	**0.44**	**0.37**
- Shriram Capital Limited	0.09	0.38	-	-	-	-	-	-	-	-	-	-	**0.09**	**0.38**
- Shriram Asset Management Company Limited	-	-	-	0.70	-	-	-	-	-	-	-	-	-	**0.70**
- Shriram Life Insurance Company Limited	-	-	9.53	7.69	-	-	-	-	-	-	-	-	**9.53**	**7.69**
- Shriram General Insurance Company Limited	-	-	37.17	34.76	-	-	-	-	-	-	-	-	**37.17**	**34.76**
Interest on non-convertible debenture														
- Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	0.20	0.08	-	-	**0.20**	**0.08**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.01	0.00	-	-	**0.01**	**0.00**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.02	0.00	-	-	**0.02**	**0.00**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.00	-	**0.00**
- Shriram Life Insurance Company Limited	-	-	4.18	5.85	-	-	-	-	-	-	-	-	**4.18**	**5.85**
- Shriram General Insurance Company Limited	-	-	1.32	2.21	-	-	-	-	-	-	-	-	**1.32**	**2.21**
- Shriram Asset Management Company Limited	-	-	1.10	0.46	-	-	-	-	-	-	-	-	**1.10**	**0.46**
- Shriram Insight Share Brokers Limited	-	-	0.00	0.00	-	-	-	-	-	-	-	-	**0.00**	**0.00**
- Shriram Automall India Limited	-	-	-	-	0.19	-	-	-	-	-	-	-	**0.19**	-
Equity dividend														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	71.17	65.09	-	-	-	-	-	-	-	-	-	-	**71.17**	**65.09**
Non-convertible debenture matured														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.01	-	**0.01**
- Shriram Life Insurance Company Limited	-	-	58.90	1.60	-	-	-	-	-	-	-	-	**58.90**	**1.60**
- Shriram General Insurance Company Limited	-	-	21.10	-	-	-	-	-	-	-	-	-	**21.10**	-

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Shriram Insight Share Brokers Limited	-	-	0.11	-	-	-	-	-	-	-	-	-	**0.11**	-
Fixed deposit matured														
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.01	0.03	**0.01**	**0.03**
- Shriram Fortune Solutions Limited	-	-	14.00	-	-	-	-	-	-	-	-	-	**14.00**	-
Subordinated debt matured														
-Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.01	-	**0.01**
- Shriram Capital Limited	1.72	0.54	-	-	-	-	-	-	-	-	-	-	**1.72**	**0.54**
- Shriram Automall India Limited	-	-	-	-	1.39	1.15	-	-	-	-	-	-	**1.39**	**1.15**
- Shriram Asset Management Company Limited	-	-	-	7.07	-	-	-	-	-	-	-	-	-	**7.07**
- Shriram General Insurance Company Limited	-	-	45.00	-	-	-	-	-	-	-	-	-	**45.00**	-
Unsecured loan and advances received - Shriram Automall India Limited	-	-	-	-	-	7.86	-	-	-	-	-	-	-	**7.86**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.79	5.01	-	-	-	-	**9.79**	**5.01**
Inter corporate deposit repaid														
- Shriram Automall India Limited	-	-	-	-	51.50	28.35	-	-	-	-	-	-	**51.50**	**28.35**
- Shriram Capital Limited	74.00	-	-	-	-	-	-	-	-	-	-	-	**74.00**	-
TOTAL	**189.87**	**105.91**	**477.24**	**305.76**	**74.15**	**46.46**	**9.79**	**5.01**	**2.10**	**1.43**	**0.02**	**0.06**	**753.17**	**464.63**
Receipts/Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.58	0.52	-	-	-	-	-	-	**0.58**	**0.52**
- Shriram Capital Limited	0.01	0.01	-	-	-	-	-	-	-	-	-	-	**0.01**	**0.01**
- Shriram Asset Management Company Limited	-	-	0.06	0.06	-	-	-	-	-	-	-	-	**0.06**	**0.06**
- Shriram Insight Share Brokers Limited	-	-	0.03	0.03	-	-	-	-	-	-	-	-	**0.03**	**0.03**
- Shriram Fortune Solutions Limited	-	-	1.08	1.07	-	-	-	-	-	-	-	-	**1.08**	**1.07**
- Adroit Inspection Service Private Limited	-	-	-	-	0.07	0.00	-	-	-	-	-	-	**0.07**	**0.00**
Rent & electricity														
- Shriram Capital Limited	0.15	0.18	-	-	-	-	-	-	-	-	-	-	**0.15**	**0.18**
- Shriram Automall India Limited	-	-	-	-	4.64	4.14	-	-	-	-	-	-	**4.64**	**4.14**
Other administrative expenses														

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Shriram Automall India Limited	-	-	-	-	0.14	2.55	-	-	-	-	-	-	**0.14**	**2.55**
Commission														
- Shriram General Insurance Company Limited	-	-	58.71	37.41	-	-	-	-	-	-	-	-	**58.71**	**37.41**
- Shriram Life Insurance Company Limited	-	-	20.39	23.68	-	-	-	-	-	-	-	-	**20.39**	**23.68**
Sale of Trade mark - Shriram Automall India Limited	-	-	-	-	-	0.06	-	-	-	-	-	-	**-**	**0.06**
Subordinated debt														
- Shriram Life Insurance Company Limited	-	-	-	25.00	-	-	-	-	-	-	-	-	**-**	**25.00**
Non-convertible debenture														
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	-	2.00	-	-	**-**	**2.00**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	**-**
- Shriram Asset Management Company Limited	-	-	2.16	11.73	-	-	-	-	-	-	-	-	**2.16**	**11.73**
- Shriram Insight Share Brokers Limited	-	-	0.70	0.00	-	-	-	-	-	-	-	-	**0.70**	**0.00**
Fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	-	0.50	-	-	**-**	**0.50**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.05	0.03	**0.05**	**0.03**
- Shriram Fortune Solutions Limited	-	-	-	14.00	-	-	-	-	-	-	-	-	**-**	**14.00**
- Shriram Asset Management Company Limited	-	-	1.50	-	-	-	-	-	-	-	-	-	**1.50**	**-**
Unsecured loan and advances repaid by														
- Shriram Automall India Limited	-	-	-	-	14.44	7.41	-	-	-	-	-	-	**14.44**	**7.41**
Inter corporate deposit														
- Shriram Automall India Limited	-	-	-	-	63.40	25.95	-	-	-	-	-	-	**63.40**	**25.95**
- Shriram Capital Limited	74.00	-	-	-	-	-	-	-	-	-	-	-	**74.00**	**-**
TOTAL	**74.16**	**0.19**	**84.63**	**112.98**	**83.28**	**40.63**	**-**	**-**	**0.10**	**2.50**	**0.05**	**0.03**	**242.22**	**156.34**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

50 RELATED PARTY DISCLOSURES (Contd.)

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance outstanding at the year end														
Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	59.50	59.17	-	-	-	-	-	-	-	-	-	-	**59.50**	**59.17**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	-
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**
Unsecured loan and advances receivable														
- Shriram Automall India Limited	-	-	-	-	-	0.58	-	-	-	-	-	-	-	**0.58**
Unsecured loan and advances payable														
- Shriram Automall India Limited	-	-	-	-	0.41	-	-	-	-	-	-	-	**0.41**	-
Rent receivable														
- Shriram Capital Limited	-	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**
- Shriram Asset Management Company Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	-	**0.02**
Commission receivable														
- Shriram General Insurance Company Limited	-	-	7.65	5.26	-	-	-	-	-	-	-	-	**7.65**	**5.26**
- Shriram Life Insurance Company Limited	-	-	1.91	2.40	-	-	-	-	-	-	-	-	**1.91**	**2.40**
Commission payable														
- Shriram Fortune Solutions Limited	-	-	-	2.42	-	-	-	-	-	-	-	-	-	**2.42**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**
- Shriram Insight Share Brokers Limited	-	-	-	0.16	-	-	-	-	-	-	-	-	-	**0.16**
Prepaid for insurance premium														
- Shriram General Insurance Company Limited	-	-	1.78	1.13	-	-	-	-	-	-	-	-	**1.78**	**1.13**
- Shriram Life Insurance Company Limited	-	-	1.06	1.01	-	-	-	-	-	-	-	-	**1.06**	**1.01**
Outstanding expenses														
- Shriram Capital Limited	10.43	10.78	-	-	-	-	-	-	-	-	-	-	**10.43**	**10.78**
- Shriram Ownership Trust	-	-	-	41.83	-	-	-	-	-	-	-	-	-	**41.83**
- Shriram Value Services Limited	-	-	40.07	1.18	-	-	-	-	-	-	-	-	**40.07**	**1.18**
- Novac Technology Solutions (P) Limited	-	-	1.80	-	-	-	-	-	-	-	-	-	**1.80**	-
- Shriram Fortune Solutions Limited	-	-	1.27	-	-	-	-	-	-	-	-	-	**1.27**	-

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	0.31	-	-	-	-	-	-	-	-	-	**0.31**	-
- Shriram Insight Share Brokers Limited	-	-	0.65	-	-	-	-	-	-	-	-	-	**0.65**	-
- Shriram Asset Management Company Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	**0.02**	-
Fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	1.45	1.34	-	-	**1.45**	**1.34**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.13	0.08	**0.13**	**0.08**
- Shriram Fortune Solutions Limited	-	-	-	14.99	-	-	-	-	-	-	-	-	-	**14.99**
- Shriram Asset Management Company Limited	-	-	1.55	-	-	-	-	-	-	-	-	-	**1.55**	-
Non-convertible debenture														
- Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	2.27	2.08	-	-	**2.27**	**2.08**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.12	0.11	-	-	**0.12**	**0.11**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.22	0.10	-	-	**0.22**	**0.10**
- Shriram Life Insurance Company Limited	-	-	-	61.14	-	-	-	-	-	-	-	-	-	**61.14**
- Shriram General Insurance Company Limited	-	-	-	21.67	-	-	-	-	-	-	-	-	-	**21.67**
- Shriram Asset Management Company Limited	-	-	14.49	12.19	-	-	-	-	-	-	-	-	**14.49**	**12.19**
- Shriram Insight Share Brokers Limited	-	-	0.63	0.00	-	-	-	-	-	-	-	-	**0.63**	**0.00**
- Shriram Automall India Limited	-	-	-	-	22.77	-	-	-	-	-	-	-	**22.77**	-
Subordinated debt														
- Shriram Automall India Limited	-	-	-	-	2.76	2.79	-	-	-	-	-	-	**2.76**	**2.79**
- Shriram Capital Limited	0.41	3.14	-	-	-	-	-	-	-	-	-	-	**0.41**	**3.14**
- Shriram Life Insurance Company Limited	-	-	103.15	103.14	-	-	-	-	-	-	-	-	**103.15**	**103.14**
- Shriram General Insurance Company Limited	-	-	319.04	367.25	-	-	-	-	-	-	-	-	**319.04**	**367.25**
Expenses recoverable														
- Shriram Capital Limited	-	0.00	-	-	-	-	-	-	-	-	-	-	-	**0.00**
- Shriram Insight Share Brokers Limited	-	-	-	0.00	-	-	-	-	-	-	-	-	-	**0.00**
- Shriram Fortune Solutions Limited	-	-	-	0.20	-	-	-	-	-	-	-	-	-	**0.20**
Inter corporate deposit received from Shriram Automall India Limited	-	-	-	-	39.42	26.38	-	-	-	-	-	-	**39.42**	**26.38**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

51 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. Refer note 69 for the Company's Capital ratios.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards.

52 FAIR VALUE MEASUREMENT

52.01 Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 6.1 (xiii).

52.02 Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2020

(Rs. in crores)

Assets measured at fair value on a recurring basis	**Level-1**	**Level-2**	**Level-3**	**Total**
Derivative financial instruments				
Forward contracts	-	378.05	-	**378.05**
Currency swaps	-	11.50	-	**11.50**
Interest rate swaps	-	45.77	-	**45.77**
Cross currency interest rate swaps	-	319.50	-	**319.50**
Interest rate caps	-	3.91	-	**3.91**
Total derivative financial instruments	**-**	**758.73**	**-**	**758.73**
Financial assets held for trading				
Mutual funds	-	3.02	-	**3.02**
Equity instruments	-	-	3.36	**3.36**
Venture capital fund	-	1.04	-	**1.04**
Total financial assets held for trading	**-**	**4.06**	**3.36**	**7.42**
Total assets measured at fair value on a recurring basis	**-**	**762.79**	**3.36**	**766.15**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	**-**	**-**	**-**	**-**
Total assets measured at fair value	**-**	**762.79**	**3.36**	**766.15**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2019

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	1.22	-	**1.22**
Currency swaps	-	18.67	-	**18.67**
Interest rate swaps	-	1.83	-	**1.83**
Total derivative financial instruments	-	**21.72**	-	**21.72**
Financial assets held for trading				
Mutual funds	-	323.82	-	**323.82**
Equity instruments	-	-	3.58	**3.58**
Certificate of deposits	-	1,231.71	-	**1,231.71**
Venture capital fund	-	0.97	-	**0.97**
Total financial assets held for trading	-	**1,556.50**	**3.58**	**1,560.08**
Total assets measured at fair value on a recurring basis	-	**1,578.22**	**3.58**	**1,581.80**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	-	**1,578.22**	**3.58**	**1,581.80**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Currency swaps	-	83.05	-	**83.05**
Interest rate swaps	-	0.37	-	**0.37**
Total derivative financial instruments	-	**83.42**	-	**83.42**
Total financial liabilities measured at fair value on a recurring basis	-	**83.42**	-	**83.42**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a non-recurring basis	Level-1	Level-2	Level-3	Total
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	**83.42**	-	**83.42**

52.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of Deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Ltd (FBIL) has developed the FBIL- CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Ltd (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

52.05: Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

52.06: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

52 FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rs. in crores)

Particulars	Equity instruments	
	As at March 31, 2020	As at March 31, 2019
Opening balance	**3.58**	**0.86**
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into level 3	-	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	**(0.22)**	**2.72**
Closing balance	**3.36**	**3.58**

52.07: Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets As at March 31, 2020	Level 3 assets As at March 31, 2019		
Equity instruments	3.36	3.58	Based on the discounted cashflow	Based on the discounted cashflow

52.08: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	3.51	3.18	3.74	3.38

52 FAIR VALUE MEASUREMENT (Contd.)

52.09: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2020	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	1,864.78	1,864.78	-	-	**1,864.78**
Bank balance other than cash and cash equivalents	5,450.14	-	5,395.64	-	**5,395.64**
Trade receivables	10.50	-	-	10.50	**10.50**
Other receivables	5.64	-	-	5.64	**5.64**
Loans	108,501.71	-	-	103,070.32	**103,070.32**
Investments at amortised cost	2,819.92	1,912.92	-	979.04	**2,891.96**
Other investments	13.37	-	-	13.37	**13.37**
Other financial assets	45.15	-	-	40.20	**40.20**
Total financial assets	**118,711.21**	**3,777.70**	**5,395.64**	**104,119.07**	**113,292.41**
Financial liabilities:					
Trade payables	143.84	-	-	143.84	**143.84**
Other payables	1.13	-	-	1.13	**1.13**
Debt securities	34,266.96	-	36,510.59	-	**36,510.59**
Borrowings (other than debt securities)	42,474.60	-	42,704.86	-	**42,704.86**
Deposits	11,960.12	-	-	12,161.38	**12,161.38**
Subordinated liabilities	5,670.07	-	5,367.03	722.40	**6,089.44**
Other financial liabilities	912.32	-	-	912.32	**912.32**
Lease liabilities	362.81	-	-	362.81	**362.81**
Total financial liabilities	**95,791.85**	**-**	**84,582.49**	**14,303.88**	**98,886.37**
Off balance sheet items					
Other commitments	311.87	-	-	311.87	**311.87**
Total off-balance sheet items	**311.87**	**-**	**-**	**311.87**	**311.87**

(Rs. in crores)

As at March 31, 2019	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	914.01	914.01	-	-	**914.01**
Bank balance other than cash and cash equivalents	3,067.46	-	2,949.28	-	**2,949.28**
Trade receivables	8.48	-	-	8.48	**8.48**
Other receivables	19.94	-	-	19.94	**19.94**
Loans	102,307.49	-	-	101,248.55	**101,248.55**
Investments at amortised cost	2,425.63	1,539.86	-	867.35	**2,407.21**
Other investments	13.37	-	-	13.37	**13.37**
Other financial assets	36.88	-	-	32.06	**32.06**
Total financial assets	**108,793.26**	**2,453.87**	**2,949.28**	**102,189.75**	**107,592.90**
Financial liabilities:					
Trade payables	133.46	-	-	133.46	**133.46**
Other payables	2.72	-	-	2.72	**2.72**
Debt securities	34,181.76	-	29,030.64	-	**29,030.64**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

		Fair value			
As at March 31, 2019	**Carrying amount**	**Level-1**	**Level-2**	**Level-3**	**Total**
Borrowings (other than debt securities)	37,189.30	-	33,526.51	-	**33,526.51**
Deposits	10,341.46	-	-	9,968.68	**9,968.68**
Subordinated liabilities	6,201.88	-	5,492.76	1,249.58	**6,742.34**
Other financial liabilities	1,016.48	-	-	1,016.48	**1,016.48**
Total financial liabilities	**89,067.06**	**-**	**68,049.91**	**12,370.92**	**80,420.83**
Off balance sheet items					
Other commitments	471.92	-	-	471.92	**471.92**
Total off-balance sheet items	**471.92**	**-**	**-**	**471.92**	**471.92**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.10: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields..

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

Investment in associate: As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. Loan and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity share of the borrower for a fixed price are classified as equity investment. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

52 FAIR VALUE MEASUREMENT (Contd.)

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

53 RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

53.01: Introduction and risk profile

53.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

53.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

53.01.03: Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

53.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to

53 RISK MANAGEMENT (Contd.)

focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

53.02: Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

53.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

53.02.02: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 53.02.02.01).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.02 to 53.02.02.04)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.06)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 6.1.xi)

53.02.02.01: Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.

53 RISK MANAGEMENT (Contd.)

- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

53.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

53.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

53.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

53.02.02.05: Significant increase in credit risk(SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 53.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 53.02.02.06), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53.02.02.06: Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 62 for impact of COVID-19 on estimate of PD, LGD and SICR.

53.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 6.1.(xi) dependent on the factors below, the Company calculates ECLs only on a collective basis.

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. New vehicle finance
2. Pre owned vehicle finance
3. Business Loans

53 RISK MANAGEMENT (Contd.)

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2020 was Rs. 51.01 crores (March 31, 2019: Rs. 49.70 crores).

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2020			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Normal	86,628.95	10,501.60	6,351.12	**103,481.67**
Restructured **	-	-	1,003.23	**1,003.23**
Equipment finance	-	-	7.52	**7.52**
Repossessed	-	-	908.45	**908.45**
Exposure > 1 crore	436.02	130.47	519.74	**1,086.23**
Other risks-forced/fraud	-	1,627.59	387.02	**2,014.61**
Grand Total	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**

** includes repossessed assets worth Rs. 44.96 crores

53.03: Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings. Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios.

53 RISK MANAGEMENT (Contd.)

53.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2020:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	3,088.99	-	-	-	-	-	**3,088.99**
Bank balance other than above	2,480.60	934.41	789.14	21.78	-	-	**4,225.93**
Derivative assets	758.73	-	-	-	-	-	**758.73**
Financial assets at fair value through profit and loss	-	-	-	-	-	7.42	**7.42**
Loans *	6,915.77	14,216.43	23,589.62	64,954.52	25,558.69	1,634.19	**136,869.22**
Financial investments at amortised cost	80.29	101.63	179.55	519.43	364.27	1,574.75	**2,819.92**
Trade receivables	10.50	-	-	-	-	-	**10.50**
Other receivables	5.64	-	-	-	-	-	**5.64**
Other financial assets	-	-	-	-	-	45.15	**45.15**
Total discounted financial assets	**13,340.52**	**15,252.47**	**24,558.31**	**65,495.73**	**25,922.96**	**3,261.51**	**147,831.50**
Financial liabilities							
Deposits *	768.95	954.94	1,704.67	8,155.32	2,701.97	-	**14,285.85**
Debt securities *	1,506.34	1,740.07	3,943.97	22,256.44	9,096.87	1,532.02	**40,075.71**
Borrowings (other than debt securities) *	3,191.71	5,818.22	10,169.69	20,844.94	7,639.45	581.01	**48,245.02**
Subordinated liabilities *	929.67	326.89	325.03	1,283.78	3,324.54	2,122.82	**8,312.73**
Trade payables	143.84	-	-	-	-	-	**143.84**
Other payables	1.13	-	-	-	-	-	**1.13**
Other financial liabilities	581.20	147.66	58.96	81.48	41.92	1.10	**912.32**
Lease liabilities	24.31	20.24	36.42	135.90	83.79	62.15	**362.81**
Total discounted financial liabilities	**7,147.15**	**9,008.02**	**16,238.74**	**52,757.86**	**22,888.54**	**4,299.10**	**112,339.41**
Net discounted financial assets/ (liabilities)	**6,193.37**	**6,244.45**	**8,319.57**	**12,737.87**	**3,034.42**	**(1,037.59)**	**35,492.09**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2019:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	1,029.14	-	-	-	-	-	**1,029.14**
Bank balance other than above	903.38	1,131.13	198.54	719.28	-	-	**2,952.33**
Derivative assets	21.72	-	-	-	-	-	**21.72**
Financial assets at fair value through profit and loss	1,552.03	-	-	-	-	8.05	**1,560.08**
Loans *	15,224.47	12,609.29	21,693.97	55,374.68	17,941.91	1,087.14	**123,931.46**
Financial investments at amortised cost	112.53	149.43	197.10	460.81	330.04	1,175.72	**2,425.63**
Trade receivables	8.48	-	-	-	-	-	**8.48**
Other receivables	19.94	-	-	-	-	-	**19.94**
Other financial assets	-	-	-	-	-	36.88	**36.88**
Total discounted financial assets	**18,871.69**	**13,889.85**	**22,089.61**	**56,554.77**	**18,271.95**	**2,307.79**	**131,985.66**
Financial liabilities							
Deposits *	891.68	778.19	1,498.30	7,209.38	2,570.91	-	**12,948.46**
Debt securities *	4,968.51	5,914.48	4,916.06	18,123.86	5,013.82	3,351.01	**42,287.74**
Borrowings (other than debt securities) *	5,887.43	5,128.06	9,187.54	13,040.62	6,774.54	1,661.06	**41,679.25**
Subordinated liabilities *	251.74	409.23	879.05	2,570.03	1,204.73	4,332.99	**9,647.77**
Trade payables	133.46	-	-	-	-	-	**133.46**
Other payables	2.72	-	-	-	-	-	**2.72**
Other financial liabilities	828.34	11.98	83.77	70.01	4.43	17.95	**1,016.48**
Derivative liabilities	83.42	-	-	-	-	-	**83.42**
Total discounted financial liabilities	**13,047.30**	**12,241.94**	**16,564.72**	**41,013.90**	**15,568.43**	**9,363.01**	**107,799.30**
Net discounted financial assets/ (liabilities)	**5,824.39**	**1,647.91**	**5,524.89**	**15,540.87**	**2,703.52**	**(7,055.22)**	**24,186.36**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the Company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2020							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	133.64	**133.64**
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	117.21	**117.21**
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	325.99	**325.99**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	4.15	-	-	-	-	-	**4.15**
Commitments related to loans sanctioned but undrawn	311.87	-	-	-	-	-	**311.87**
Total commitments	**316.02**	-	-	-	-	**581.84**	**897.86**
As at March 31, 2019							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	78.70	**78.70**
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	124.30	**124.30**
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	198.31	**198.31**
Estimated amount of contracts remaining to be executed on capital account, net of advances	5.55	-	-	-	-	-	**5.55**
Commitments related to loans sanctioned but undrawn	471.92	-	-	-	-	-	**471.92**
Total commitments	**477.47**	-	-	-	-	**401.31**	**878.78**

53 RISK MANAGEMENT (Contd.)

53.04: Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank MCLR or London Inter-bank Offered Rate (LIBOR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Company hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2020 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Debt instrument	175.00	9.01	(8.48)
Term loans	9,941.92	875.54	(640.63)
Total floating rate borrowings	**10,116.92**	**884.55**	**(649.11)**

As at March 31, 2019 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	2,360.00	232.28	(288.97)
Term loans	10,855.48	672.97	(839.79)
Total floating rate borrowings	**13,215.48**	**905.25**	**(1,128.76)**

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount remaining unpaid to supplier as at the end of the year	0.40	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

55 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.83 crores (March 31, 2019: Rs. 0.26 crores) [including out-of-pocket expenses of Rs. Nil (March 31, 2019: Rs. Nil)] shown under Legal and professional fees in note 42 Other expenses.

56 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER FINANCE COST

In addition to the auditors remuneration shown under note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non-convertible debentures of Rs. 0.36 crores (March 31, 2019: Rs. 0.48 crores) amortised portion of which is included in note 37 Finance Costs under interest on debentures and unamortised portion of which is included in note 22 Debt securities under Redeemable non-convertible debentures - Secured -Public issue.

57 SEGMENT REPORTING

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

58 TRANSFER OF FINANCIAL ASSETS

Note 58.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Securitisation		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	21,612.72	17,770.52
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	21,452.04	17,738.52
Fair value of assets	20,054.22	16,355.39
Fair value of associated liabilities	20,358.45	15,918.57
Net position at fair value	**(304.23)**	**436.82**

Note 58.02: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,427.81	2,428.39
Carrying amount of exposures retained by the Company at amortised cost	142.78	253.60

Note 58.03: Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

59 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Resource mobilisation	148.09	67.78
Legal and professional charges	-	0.60
Membership fees	0.00	0.00
Total	**148.09**	**68.39**

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

60 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	52.82	39.51
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	53.16	40.06
Yet to be paid in cash	-	-
Total	**53.16**	**40.06**

61 MOVEMENT IN PROVISIONS

(Rs. in crores)

Particulars	As at March 31, 2019	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2020
Provision for taxes- contested	92.75	-	-	92.75

(Rs. in crores)

Particulars	As at April 01, 2018	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2019
Provision for taxes- contested	92.75	-	-	92.75

The above provisions relate to disputed tax demands in relation to VAT and Service tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

62 NOTE ON COVID

The spread of SARS-CoV-2 virus (referred as 'COVID-19') across the globe and in India has contributed to a significant decline and volatility in global and Indian financial markets and a shrink in the economic activities. The Government of India declared 21-day nation-wide lock-down to contain the pandemic COVID-19 with effect from March 25, 2020. The Government then extended the lockdown till May 31, 2020. However, the government relaxed the lock-down in certain essential areas including plying commercial vehicles for transportation of essential and non-essential goods across the country. In terms of COVID-19 regulatory package announced by Reserve Bank of India (RBI) on March 27, 2020 and in accordance with the Scheme approved by the Board of directors of the Company, the Company has extended the moratorium to the eligible borrowers for instalments falling due between March 1, 2020 and May 31, 2020. Further, pursuant to RBI notification dated May 23, 2020, the moratorium is given to eligible borrowers for a further period of three months upto August 31, 2020. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The staging of accounts as on March 31, 2020 with respect to assets which were overdue though standard and to whom moratorium has been granted is based on the days past due as on February 29, 2020 keeping it at standstill. Further, estimates and associated assumptions applied in preparing the financial statements, especially in respect of credit loss on loans, are based on historical experience and other emerging/forward looking factors including those arising on account of the COVID-19 pandemic.

62 NOTE ON COVID (Contd.)

The Company has used relevant indicators of moratorium, considering various measures taken by Government and other authorities along with an estimation of potential stress on probability of defaults and loss given defaults due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans, including on account of potential macro-economic conditions. Based on such assessment, the Company has made additional expected credit loss provision of Rs 909.64 crores on account of COVID-19 impact in the financial statement. The impairment loss provided for on account of COVID-19 pandemic is based on the assessment of current situation and the actual impairment loss could be different due to uncertainty over duration of pandemic and restoration of normalcy.

63 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date except the following:

The ratings of the Company which have been downgraded by the various rating agencies after March 31, 2020 are given below:

Credit Rating Agency	Instruments	As at March 31, 2020	Current Rating as on date
CRISIL	Bank Loan Long-term	CRISIL AA+/Stable	CRISIL AA+/Negative
CRISIL	Fixed deposit	CRISIL FAAA/Stable	CRISIL FAAA/ Negative
CRISIL	Non-convertible debenture	CRISIL AA+/Stable	CRISIL AA+/Negative
CRISIL	Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA+r/Stable	CRISIL PP-MLD AA+r/ Negative
CRISIL	Subordinated debt	CRISIL AA+/Stable	CRISIL AA+/Negative
India Ratings & Research Private Limited (Formerly known as "FITCH")	Non-convertible debenture	IND AA+/Stable Outlook	IND AA+/RWN
India Ratings & Research Private Limited (Formerly known as "FITCH")	Subordinated debt	IND AA+/Stable Outlook	IND AA+/RWN
India Ratings & Research Private Limited (Formerly known as "FITCH")	Structured Non-Convertible Debentures	Provisional IND AAA(CE)/Stable	This rating is now withdrawn
Standard & Poor's Ratings	Offshore Rupee Denominated Bond (Masala Bond)	BB+	BB
Standard & Poor's Ratings	U.S. Dollar Senior Secured Notes	BB+	BB
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB+/Negative	BB/Negative

RWN=Rating Watch Negative

64 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 1,758.76 crores (March 31, 2019: Rs. 1,463.76 crores) in favour of trustees representing the public deposit holders of the Company.

65 DISCLOSURE OF RESTRUCTURED ACCOUNTS

(Rs. in crores)

Sr. No.	Type of restructuring / Financial year / Asset classification		Others – Year ended March 31, 2020 Standard	Sub-standard	Doubtful	Loss	Total	Others – Year ended March 31, 2019 Standard	Sub-standard	Doubtful	Loss	Total
1	**Restructured accounts as on April 1**	**No. of borrowers**	**8,514**	**8,741**	**5,180**	**97**	**22,532**	**353**	**14,462**	**6,543**	**1,638**	**22,996**
		Amount outstanding	**228.00**	**535.06**	**271.81**	**4.37**	**1,039.24**	**12.99**	**646.01**	**221.71**	**61.76**	**942.47**
		Provision thereon	**39.91**	**182.45**	**83.26**	**1.24**	**306.86**	**1.30**	**100.65**	**75.43**	**22.79**	**200.17**
2	Fresh restructuring during the year	No. of borrowers	-	16,497	-	-	**16,497**	-	9,208	-	-	**9,208**
		Amount outstanding	-	756.20	-	-	**756.20**	-	573.04	-	-	**573.04**
		Provision thereon	-	254.33	-	-	**254.33**	-	122.65	-	-	**122.65**
3	Upgradation	No. of borrowers	7,006	(5,167)	(1,838)	(1)	-	8,514	(7,035)	(1,412)	(67)	-
		Amount outstanding	315.26	(225.21)	(90.05)	-	-	306.44	(262.36)	(42.45)	(1.63)	-
		Provision thereon	103.25	(75.12)	(28.13)	-	-	51.53	(37.43)	(13.55)	(0.55)	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	(8,514)	-	-	-	**(8,514)**	(353)	-	-	-	**(353)**
		Amount outstanding	(228.00)	-	-	-	**(228.00)**	(12.99)	-	-	-	**(12.99)**
		Provision thereon	(39.90)	-	-	-	**(39.90)**	(1.30)	-	-	-	**(1.30)**
5	Downgradation of restructured accounts during the year	No. of borrowers	-	(2,365)	1,805	560	-	-	(3,006)	3,201	(195)	-
		Amount outstanding	-	(250.36)	211.55	38.81	-	-	(180.81)	190.02	(9.21)	-
		Provision thereon	-	(88.14)	75.64	12.50	-	-	(25.30)	28.64	(3.34)	-
6	Write-offs of restructured accounts during the year	No. of borrowers	(843)	(2,046)	(2,639)	(80)	**(5,608)**	-	(4,888)	(3,152)	(1,279)	**(9,319)**
		Amount outstanding	(85.60)	(121.97)	(123.34)	(3.65)	**(334.56)**	(78.44)	(240.82)	(97.47)	(46.55)	**(463.28)**
		Provision thereon	(83.58)	(35.30)	(37.80)	(0.83)	**(157.51)**	(11.62)	21.88	(7.26)	(17.66)	**(14.66)**
7	**Restructured accounts as on March 31**	**No. of borrowers**	**6,163**	**15,660**	**2,508**	**576**	**24,907**	**8,514**	**8,741**	**5,180**	**97**	**22,532**
		Amount outstanding	**229.66**	**693.72**	**269.97**	**39.53**	**1,232.88**	**228.00**	**535.06**	**271.81**	**4.37**	**1,039.24**
		Provision thereon	**19.68**	**238.22**	**92.97**	**12.91**	**363.78**	**39.91**	**182.45**	**83.26**	**1.24**	**306.86**

Note:

i. The outstanding amount and number of borrowers as at March 31, 2020 and March 31, 2019 is after considering recoveries during the year.

ii. Additional facilities availed by borrowers or addition in outstanding balance in existing restructured accounts and partial repayments in existing restructured accounts are adjusted and disclosed under "Write-offs of restructured accounts", however, for the purpose of arithmetical accuracy the number of existing borrowers availing additional facility or partial repayments have been ignored.

iii. The Company has classified all the restructured accounts under stage 3 for ECL Calculations under Ind AS and Provision for Impairment Loss on all the restructured accounts have been provided in the books accordingly.

iv. Since the disclosure of restructured accounts pertains to section "Others", the first two sections namely "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per the format prescribed in the Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit Taking Company (Reserve Bank) Directions 2016 as amended are not included above.

v. For the purpose of arithmetical accuracy, movement in provisions in the existing restructured account as compared to balance of provision as disclosed in opening balance and fresh restructuring on account sale/ recovery/settlement (for any change in provision) is adjusted and disclosed under "Write-offs of restructured accounts" during the year.

66 ASSET CLASSIFICATION AS PER RBI NORMS

Disclosure in Notes to Financial Statements

For the year ended March 31, 2020 (Rs. in crores)

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)	(6)	(7)
Performing Assets						
Standard	Stage 1	87,064.97	2,156.05	84,908.92	1,495.05	661.00
	Stage 2	12,259.66	928.08	11,331.58	997.81	(69.73)
Subtotal		**99,324.63**	**3,084.13**	**96,240.50**	**2,492.86**	**591.27**
Non-Performing Assets (NPA)						
Substandard	Stage 3	6,043.64	2,118.64	3,925.00	588.01	1,530.63
Doubtful - up to 1 year	Stage 3	631.93	212.40	419.53	189.79	22.61
1 to 3 years	Stage 3	230.05	73.17	156.88	117.30	(44.13)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**861.98**	**285.57**	**576.41**	**307.09**	**(21.52)**
Loss	Stage 3	2,271.46	781.74	1,489.72	2,135.16	(1,353.42)
Subtotal for NPA		**9,177.08**	**3,185.95**	**5,991.13**	**3,030.26**	**155.69**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,254.66	40.78	1,213.88	-	40.78
	Stage 2	52.67	18.43	34.24	-	18.43
	Stage 3	2.63	2.70	(0.07)	-	2.70
Subtotal		**1,309.96**	**61.91**	**1,248.05**	**-**	**61.91**
Total	**Stage 1**	**88,319.63**	**2,196.83**	**86,122.80**	**1,495.05**	**701.78**
	Stage 2	**12,312.33**	**946.51**	**11,365.82**	**997.81**	**(51.30)**
	Stage 3	**9,179.71**	**3,188.65**	**5,991.06**	**3,030.26**	**158.39**
	Total	**109,811.67**	**6,331.99**	**103,479.68**	**5,523.12**	**808.87**

67 ASSET CLASSIFICATION AND PROVISIONING DISCLOSURE

Disclosure as per the circular no DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID 19 regulatory package - Asset Classification and provisioning"

For the year ended March 31, 2020

i) Amounts in SMA/overdue categories where moratorium/deferment was extended in terms of paragraph 2 and 3 of the above circular

(Rs. in crores)

SMA category	Amount
SMA 0	23,601.37
SMA 1	13,884.42
SMA 2	4,425.63
Total	**41,911.42**

ii) Respective amount where asset classification benefit is extended : Rs. 1,334.38 crores

iii) Provisions made during quarter ended March 31, 2020 in terms of paragraph 5 of the above circular :

The provision made by the Company as per the ECL model is more than the provision required as per IRAC norms which is inclusive of additional 5% provision of Rs. 2,095.57 crores as per the above circular.

67 ASSET CLASSIFICATION AND PROVISIONING DISCLOSURE (Contd.)

iv) Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 6 of the above circular : Not applicable

Additional disclosures required by the Reserve Bank of India (RBI)

The additional disclosures required by RBI are prepared under Indian Accounting Standards (Ind AS) issued by MCA unless otherwise stated.

68 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Instruments	Credit rating agency	As on March 31, 2020	As on March 31, 2019
Bank Loan Long-term	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Bank Loan Short-term	CRISIL	CRISIL A1+	CRISIL A1+
Commercial Paper	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND A1+	IND A1+
Commercial Paper	CARE	CARE A1+	CARE A1+
Fixed deposit	CRISIL	CRISIL FAAA/Stable	CRISIL FAAA/Stable
Long Term Principal Protected Market Linked Debentures	CRISIL	CRISIL PP-MLD AA+r/ Stable	
Structured Non-Convertible Debentures	India Ratings & Research Private Limited (Formerly known as "FITCH")	Provisional IND AAA(CE)/ Stable	
Fixed deposit	ICRA	MAA+ with Stable outlook	MAA+ with Stable outlook
Long-Term Issuer Credit Rating	Standard & Poor's Ratings	BB+/Negative Outlook	BB+/Stable
Long-Term Issuer Default Rating	Fitch Ratings	BB/RWN	BB+/Stable Outlook
Non-convertible debenture	CARE	CARE AA+/Stable	CARE AA+/Stable
Non-convertible debenture	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Non-convertible debenture	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND AA+/Stable Outlook	IND AA+/Stable Outlook
Offshore Rupee Denominated Bond (Masala Bond)	Standard & Poor's Ratings	BB+	BB+
U.S. Dollar Senior Secured Notes	Standard & Poor's Ratings	BB+	BB+
Offshore Rupee Denominated Bond (Masala Bond)	Fitch Ratings	BB	BB+
U.S. Dollar Senior Secured Notes	Fitch Ratings	BB	BB+
Short term debt	CRISIL	CRISIL A1+	CRISIL A1+
Short-Term Issuer Credit Rating	Standard & Poor's Ratings	B	B
Short-Term Issuer Default Rating	Fitch Ratings	B	B
Subordinated debt	CARE	CARE AA+/Stable	CARE AA+/Stable
Subordinated debt	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND AA+/Stable	IND AA+/Stable
Subordinated debt	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable

69 CAPITAL

(Rs. in crores)

Particulars	As at March 31, 2020 #	As at March 31, 2019
i) CRAR (%)	21.99	20.27
ii) CRAR - Tier I capital (%)	18.13	15.62
iii) CRAR - Tier II capital (%)	3.86	4.65
iv) Amount of subordinated debt raised as Tier-II capital*	5,591.73	6,040.74
v) Amount raised by issue of Perpetual debt instruments	-	-

calculated as per RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

"Tier I capital", "Tier II capital", "Owned fund" are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

* Note:

Discounted value of Rs. 4,046.46 crores (March 31, 2019: Rs. 4,688.17 crores) considered for Tier II capital against the book value of Rs. 5,591.73 crores (March 31, 2019: Rs. 6,040.74 crores).

70 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(1) Value of investments		
(i) Gross value of investments		
(a) In India	2,840.71	3,999.08
(b) Outside India,	-	-
(ii) Provisions for depreciation		
(a) In India	42.23	0.01
(b) Outside India,	-	-
(iii) Net value of investments		
(a) In India	2,798.48	3,999.07
(b) Outside India,	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	0.01	0.07
(ii) Add : Provisions made during the year	42.22	-
(iii) Less : Write-off/write-back of excess provisions during the year	-	0.06
(iv) Closing balance	42.23	0.01

71 DERIVATIVES

71.01: Forward rate agreement/Interest rate swap

(Rs. in crores)

Particulars		As at March 31, 2020	As at March 31, 2019
(i)	The notional principal of swap agreements	24,921.80	5,682.09
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swap	-	-
(v)	The fair value of the swap book	758.73	5,682.09

71.02: Exchange traded interest rate (IR) derivatives : Nil

71.03: Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

The Company has entered into derivative agreement to mitigate the foreign exchange risk and interest rate risk pertaining to external commercial borrowings and foreign currency bonds. The description of risk policies and risk mitigation strategies are disclosed in note 53 of the financial statements.

Quantitative Disclosures

(Rs. in crores)

Particulars		As at March 31, 2020		As at March 31, 2019	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)	Derivatives (Notional principal amount)				
	For hedging	16,177.17	8,744.63	5,682.09	
(ii)	Marked to market positions				
	a) Asset (+)	709.05	49.68	-	-
	b) Liability (-)	-	-	-	-
(iii)	Credit exposure	-	-	-	-
(iv)	Unhedged exposures	-	-	-	-

72 DISCLOSURES RELATING TO SECURITISATION

72.01: Outstanding amount of securitised/assigned assets as per books of the SPVs sponsored:

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

(Rs. in crores)

Sr. No.	Particulars		As at March 31, 2020	As at March 31, 2019
1	No of SPVs sponsored by the NBFC for securitisation transactions (in No.)		72	65
2	Total amount of securitised assets as per books of the SPVs sponsored		20,487.93	16,376.03
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet			
	(a)	Off-Balance Sheet exposures		
		First loss	35.08	9.85
		Others	-	-
	(b)	On-Balance Sheet exposures		
		First loss	2171.17	1,708.24
		Others	942.79	877.81
4	Amount of exposures to securitisation transactions other than MRR			
	(a)	Off-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Loss	651.41	910.43
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Others	1,441.75	964.35
		(ii)Exposure to third party securitisations		
		First loss	-	-
		Others	-	-

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

(Rs. in crores)

Sr. No.	Particulars		As at March 31, 2020	As at March 31, 2019
1	No. of transactions assigned by the Company		3	27
2	Total amount outstanding		1,427.81	2,428.39
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet			
	(a)	Off-Balance Sheet exposures		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		First loss	-	-
		Others	142.78	253.60
4	Amount of exposures to assigned transaction other than MRR			
	(a)	Off-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Loss	-	-
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Others	-	-
		(ii)Exposure to third party securitisations		
		First loss	-	-
		Others	-	-

72 DISCLOSURES RELATING TO SECURITISATION (Contd.)

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium structure is given below:

(Rs. in crores)

Sr. No.	Particulars		As at March 31, 2020	As at March 31, 2019
1	No. of transactions assigned by the Company		-	-
2	Total amount outstanding		-	-
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet			
	(a)	Off-Balance Sheet exposures		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		First loss	-	-
		Others	-	-
4	Amount of exposures to assigned transaction other than MRR			
	(a)	Off-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Loss	-	-
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Others	-	-
		(ii)Exposure to third party securitisations		
		First loss	-	-
		Others	-	-

72.02: Details of financial assets sold to securitisation/reconstruction company for asset reconstruction

The Company has not sold any financial assets to securitisation/reconstruction company for asset reconstruction during the year ended March 31, 2020 and March 31, 2019.

72.03: Details of assignment transactions undertaken by the Company

(Rs. in crores)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	No. of accounts	-	76,129
ii)	Aggregate value (net of provisions) of accounts sold	-	2,725.46
iii)	Aggregate consideration *	-	2,735.34
iv)	Additional consideration realized in respect of accounts transferred in earlier years	22.18	1.85
v)	Aggregate gain/loss over net book value	-	11.73

* Includes income on assignment transactions realised in respect of accounts transferred in previous year.

72.04: Details of non-performing financial assets purchased / sold by the Company

The Company has not purchased/sold non-performing assets for the year ended March 31, 2020 and March 31, 2019.

73 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2020

(Rs. in crores)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits *	358.59	223.81	223.16	822.14	1,340.18	6,945.86	2,156.98	-	**12,070.72**
Advances ** #	56.38	668.02	2,133.62	8,688.79	16,740.50	49,917.57	22,576.28	1,450.47	**102,231.63**
Investments	32.37	41.38	6.54	101.63	179.55	519.43	340.48	1,577.10	**2,798.48**
Borrowings ***	1,398.12	709.36	2,460.27	6,374.02	11,680.97	28,621.82	11,382.49	2,916.38	**65,543.43**
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	1,419.13	-	13.81	78.20	54.81	8,377.29	6,459.71	504.67	**16,907.62**

The Board of Directors of the Company have approved moratorium policy in their meeting held on June 10, 2020 for a further period of 3 months from June 2020 to August 2020 pursuant to the Reserve Bank of India Notification no. RBI/2019-20/244 DOR.No.BP.BC. 71/ 21.04.048/ 2019-20 dated May 23, 2020 to eligible borrowers. The same is in the process of being implemented. Consequently the effect of the further moratorium extended as mentioned above is not considered in the above ALM disclosure.

As at March 31, 2019

(Rs. in crores)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits *	508.86	197.78	199.01	606.07	1,115.09	5,844.07	2,017.60	-	**10,488.48**
Advances **	3,305.69	5,075.97	3,095.55	9,191.82	15,986.25	43,388.41	15,745.89	961.91	**96,751.49**
Investments	352.80	43.75	1,268.01	149.43	197.10	460.81	330.04	1,197.13	**3,999.07**
Borrowings ***	2,602.60	4,251.98	3,069.79	8,990.93	12,606.78	23,169.70	8,890.43	8,870.62	**72,452.83**
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	17.23	(1.49)	11.30	21.95	(9.38)	2,725.08	2,381.80	-	**5,146.49**

* includes deposits from corporates and unclaimed matured deposit.

** net of Impairment loss allowance.

*** excludes deposits which are shown separately and External commercial borrowings and external commercial bond which are shown separately under Foreign currency liabilities.

74 EXPOSURES

74.01: Exposure to real estate sector

The Company has no exposure to real estate sector.

74.02: Exposure to capital market

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	19.75	20.45
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-

74 EXPOSURES (Contd.)

(Rs. in crores)

Particulars		As at March 31, 2020	As at March 31, 2019
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	1.04	0.97
Total exposure to capital market		**20.79**	**21.42**

74.03: Details of financing of parent company products

The Company does not have any Parent Company, hence not applicable.

74.04: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

74.05: Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

75 ADDITIONAL DISCLOSURES

75.01: Provisions and contingencies

(Rs. in crores)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2020	Year ended March 31, 2019
Provisions for depreciation on investment	-	-
Provision towards NPA#	1,680.91	1,590.06
Provision made towards income tax	921.20	1,346.37
Provision for Standard Assets ##	-	-
Other Provision and contingencies (with details)		
Provision towards impairment of financial instruments other than provision for stage 3 assets	1,113.97	792.20

Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets.

75.02: Draw down from reserves

The draw down from reserves was Rs. Nil.

75 ADDITIONAL DISCLOSURES (Contd.)

75.03: Concentration of Deposits, Advances, Exposures and NPAs

75.03.01: Concentration of Deposits (for deposit taking NBFCs)

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total deposits of twenty largest depositors	723.28	735.67
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	6.07%	7.11%

75.03.02: Concentration of advances

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total advances to twenty largest borrowers *	345.11	328.21
Percentage of advances to twenty largest borrowers to total advances of the NBFC *	0.32%	0.32%

*Excludes retained interest on direct assignment Rs. 142.78 crores (March 31, 2019: Rs. 253.60 crores)

75.03.03: Concentration of exposures

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total exposure to twenty largest borrowers/customers *	347.76	328.97
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers *	0.32%	0.32%

* Excludes retained interest on direct assignment Rs. 142.78 crores (March 31, 2019: Rs. 253.60 crores)

75.03.04: Concentration of NPAs

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total exposure to top four NPA accounts**	132.36	102.66

** NPA accounts refer to stage 3 assets.

75.03.05: Sector-wise NPAs # $

Sr. No.	Sector	As at March 31, 2020 Percentage of NPAs to Total Advances in that sector	As at March 31, 2019 Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	7.68%	8.07%
7	Others	21.82%	14.14%

The loans mentioned above include loans given to corporates.

$ NPA accounts refer to stage 3 assets.

76 MOVEMENT OF NPAS $

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i) Net NPAs to net advances (%)	5.69%	5.68%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	8,616.27	8,934.46
(b) Additions during the year	13,506.74	6,638.30
(c) Reductions during the year	(12,945.93)	(6,956.49)
(d) Closing balance	**9,177.08**	**8,616.27**
(iii) Movement of Net NPAs		
(a) Opening balance	5,646.53	5,840.07
(b) Additions during the year	9,305.19	4,396.99
(c) Reductions during the year	(8,960.59)	(4,590.53)
(d) Closing balance	**5,991.13**	**5,646.53**
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	2,969.74	3,094.39
(b) Provisions made during the year	4,201.55	2,241.31
(c) Write-off/write-back of excess provisions	(3,985.34)	(2,365.96)
(d) Closing balance	**3,185.95**	**2,969.74**

$ NPA accounts refer to stage 3 assets.

77 OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

78 OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

79 CUSTOMER COMPLAINTS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Number of complaints pending at the beginning of the year	60	72
(b) Number of complaints received during the year	2,007	2,583
(c) Number of complaints redressed during the year	2,039	2,595
(d) Number of complaints pending at the end of the year	28	60

80 INFORMATION ON INSTANCES OF FRAUD

Instances of fraud for the year ended March 31, 2020: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by employees	3	0.18	0.01	-
Fraud committed by borrowers and outsiders	2	0.28	0.04	0.19

* includes Rs. 0.04 crores recovered from the fraud cases reported during the year ended March 31, 2019.

Instances of fraud for the year ended March 31, 2019: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount written-off
Fraud committed by borrowers and outsiders	13	1.08	0.22	-

81 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

Details of Penalties levied by various regulators for the year ended March 31, 2020: (Rs. in crores)

Sr. No	Authority	Non-compliance/ violation	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2020
1	Reserve Bank of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Insurance Regulatory and Development Authority of India	Clause ll(3)(ii)(a), Clause ll(3)(ii)(m), Clause ll(3)(ii)(o) of Schedule-lll under Regulation 26 of IRDAI (Registration of Corporate Agents) Regulations, 2015 regarding Engagement of persons other than Specified Persons to procure business	0.15	0.15	Nil	Nil	October 31, 2019	Paid
3	Enforcement Directorate (ED) / Adjudicating Authority/ Tribunal or any authority under FEMA	Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	Nil	Nil	Nil	Nil	Disclosed under Note 49: Contingent liabilities, commitments and leasing arrangements as the Company has filed a writ petition with Madras High Court.
4	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Securities and Exchange Board of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Competition Commission of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil

No penalties have been levied by any regulator on the Company for the year ended March 31, 2019.

82 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

As per our report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet

(Rs. in crores)

Particulars	As at March 31, 2020	
Liabilities side :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	**Amount outstanding**	**Amount overdue**
(a) Debenture : Secured	20,016.37	15.45 #
: Unsecured	454.11	Nil
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	Nil	Nil
(c) Term Loans	36,157.60	Nil
(d) Inter-corporate loans and borrowing	39.42	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposits* @	11,918.17	149.69 #
(g) Other Loans - Subordinated debts	5,751.76	81.69 #
- Cash Credit	2,016.39	Nil
- Deposits from corporates	152.55	0.33 #
- Senior secured notes	1,204.92	Nil
- External commercial borrowing- Secured	4,300.61	Nil
- External commercial bond -Secured	12,607.01	Nil
@ excludes deposits from corporates		
*Please see note 1 below		
# Represent amounts unclaimed		

(Rs. in crores)

(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	**Amount outstanding**	**Amount overdue**
(a) In the form of Unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits @	11,918.17	149.69 #
@ excludes deposits from corporates		
*Please see note 1 below		
# Represent amounts unclaimed		

(Rs. in crores)

Assets side :	**Amount outstanding**
(3) Break-up of loans and advances including bills receivables (other than those included in (4) below):	
(a) Secured	105,061.35
(b) Unsecured	3,428.63

(Rs. in crores)

(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities €	Amount outstanding
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	Nil
(b) Operating lease	Nil
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	Nil
(b) Repossessed Assets	Nil
(iii) Other loans counting towards asset financing activities : €	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil

€ The Company has not disclosed amount outstanding under assets financing activities under note 4(iii) and included entire loan amount outstanding under note 3 as RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to a new category "NBFC - Investment and Credit Company" vide its circular no. DNBR (PD) CC. No. 097/03.10.001/2018-19 dated February 22, 2019.

(Rs. in crores)

(5) Break-up of investments : $	Amount outstanding
Current investments :	
1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debenture and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares: (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (Please specify)	Nil
Long term investments :	
1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	1,824.46
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares: (a) Equity	16.73
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	3.02
(iv) Government securities	Nil
(v) Others - Venture capital fund	1.04
- Pass through certificates (unquoted)	918.99
- Investment in subordinated debts	34.24

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA for NBFCs.

(6) Borrower group-wise classification of assets, financed as in (3) and (4) above :

Please see note 2 below

(Rs. in crores)

	Category	Amount (Net of provisions)	
		Secured	Unsecured
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
2.	Other than related parties	105,073.08	3,428.63

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): $

Please see note 3 below

(Rs. in crores)

	Category	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	52.81	13.37
	(c) Other related parties	Nil	Nil
2.	Other than related parties	2,933.62	2,873.58

* Disclosure is made in respect of available information.

** As per Indian Accounting Standard issued by MCA (Please see note 3)

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA.

(Rs. in crores)

(8) Other information

Sr. No.	Particulars	Amount
(i)	Gross non-performing assets ¥	
	(a) Related parties	Nil
	(b) Other than related parties	9,177.08
(ii)	Net non-performing assets ¥	
	(a) Related parties	Nil
	(b) Other than related parties	5,991.13
(iii)	Assets acquired in satisfaction of debt	Nil

¥ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes :

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.

FORM AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A: Subsidiaries
The Company does not have any subsidiary.

Part B: Associates and joint venture (Refer note 45)

Sr. No.	Particulars - Associate	Shriram Automall India Limited
1	**Latest Audited Balance Sheet Date**	March 31, 2020
2	**Shares of associate held by the Company on the year end**	
	No.	13,369,565
	Amount of investment in associate (Rs. in crores)	13.37
	Extent of holding %	44.56
3	**Description of how there is significant influence**	By virtue of holdings being 20% or more
4	**Reason why the associate is not consolidated**	N.A.
5	**Networth attributable to shareholding as per latest audited Balance Sheet (Rs. in crores)**	54.16
6	**Profit/Loss for the year (Rs. in crores)**	
	i Considered in consolidation	10.43
	ii Not Considered in consolidation	12.98

The Company does not have any joint venture.

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

CONSOLIDATED ACCOUNTS

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To the Members of
Shriram Transport Finance Company Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Shriram Transport Finance Company Limited (hereinafter referred to as "the Holding Company")and its associate comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and on the other financial information of the associate the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Holding Company and its Associate as at March 31, 2020, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment Loss Allowance of loans and advances

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the potential impact of unprecedented COVID 19 pandemic on asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modeled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

Audit Procedures included but were not limited to the following:

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

We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with Ind AS 109 "Financial Instruments". Particularly we assessed the approach of the Company regarding definition of Default, Probability of Default, Loss Given Default and incorporation

of forward-looking information for the calculation of ECL.

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

- We tested the reliability of key data inputs and related management controls;
- We checked the stage classification as at the balance sheet date as per the definition of Default of the Company;
- We validated the ECL Model and its calculation by involving our Information Technology Expert;
- We have also calculated the ECL provision manually for selected samples; and
- We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range.
- We have reviewed the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the Reserve Bank of India (RBI). Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases where moratorium is provided and not provided in accordance with RBI COVID-19 Regulatory Package;
- With respect to additional provision made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company and.
- We have checked the provision on Loan Assets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI dated March 27, 2020 and May 23, 2020 and RBI circular dated April 17, 2020.

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

Emphasis of Matter

We draw attention to Note 62 to the consolidated financial statements which describes the classification of accounts as on March 31, 2020 with respect to the accounts which were overdue but standard as on February 29, 2020 and to whom moratorium benefit has been granted. The staging of those accounts under Ind AS as on March 31, 2020 is based on the days past due status as on February 29, 2020 in accordance with the Reserve Bank of India COVID-19 regulatory package. Further, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Management Discussion & Analysis, Director's Report and Corporate Governance Report, but does not include the standalone financial statements, 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Holding Company and its Associate in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the

Holding Company and its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its Associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Holding Company and its Associate are responsible for assessing the ability of the Holding Company and its Associate 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 Holding Company and its Associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and its Associate are responsible for overseeing the financial reporting process of the Holding Company and its Associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its Associate, which is a company incorporated in India have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its Associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its Associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Holding Company and its Associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has 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.

We communicate with those charged with governance of the Holding Company 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 financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) The consolidated financial statements include Holding Company's share of net profit (including other comprehensive income) of Rs. 10.68 Crores for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of an Associate whose financial statements has not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Associate, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid Associate, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the associate, as noted in the Other Matters section above 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 financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its associate company incorporated in India, none of the directors of the Holding Company and its Associate, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its Associate, which is incorporated in India and the operating effectiveness of such controls, we refer our separate report in "Annexure";

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:

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

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

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its Associate – Refer Note 49 to the consolidated financial statements;

(ii) The Holding Company and its Associate has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the consolidated financial statements.

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

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

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAACM2363

Place: Mumbai
Date: June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
UDIN:20064225AAAAAY4934

Place: Gurugram
Date: June 10, 2020

[Referred to in paragraph f under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Shriram Transport Finance Company Limited on the consolidated financial statements for the year ended March 31, 2020]

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

In conjunction with our audit of the consolidated financial statements of Shriram Transport Finance Company Limited ("Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its Associate, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Associate, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 auditor, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company and its Associate.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to

financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditor as mentioned in Other Matters paragraph below, the Holding Company and its Associate, which is a company incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one Associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAACM2363

Place: Mumbai
Date: June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
UDIN:20064225AAAAAY4934

Place: Gurugram
Date: June 10, 2020

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

(Rs. in crores)

Particulars		Notes	As at March 31, 2020	As at March 31, 2019
I	**ASSETS**			
	1 Financial assets			
	Cash and cash equivalents	8	3,088.99	1,029.14
	Bank balance other than above	9	4,225.93	2,952.33
	Derivative financial instruments	10	758.73	21.72
	Receivables	11		
	(I) Trade receivables		10.50	8.48
	(II) Other receivables		5.64	19.94
	Loans	12	102,231.63	96,751.49
	Investments	13	2,935.63	4,125.54
	Other financial assets	14	45.15	36.88
	2 Non-financial Assets			
	Current tax assets (net)	15	249.10	106.58
	Deferred tax assets (net)	43	62.50	75.70
	Investment property	16	2.03	2.06
	Property, plant and equipment	17	149.88	143.46
	Right-of-use assets	18	327.84	-
	Other intangible assets	19	2.67	1.97
	Other non-financial assets	20	169.57	143.66
	Total assets		**114,265.79**	**105,418.95**
II	**LIABILITIES AND EQUITY**			
	LIABILITIES			
	1 Financial liabilities			
	Derivative financial instruments	10	-	83.42
	Payables			
	(I) Trade payables	21		
	(i) total outstanding dues of micro enterprises and small enterprises		0.40	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		143.44	133.46
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.13	2.72
	Debt securities	22	34,266.96	34,181.76
	Borrowings (other than debt securities)	23	42,474.60	37,189.30
	Deposits	24	11,960.12	10,341.46
	Subordinated liabilities	25	5,670.07	6,201.88
	Other financial liabilities	26	912.32	1,016.48
	Lease Liabilities	18	362.81	-
	2 Non-financial liabilities			
	Current tax liabilities (net)	27	102.02	102.97
	Provisions	28	146.33	133.26
	Other non-financial liabilities	29	83.28	69.49
	Total liabilities		**96,123.48**	**89,456.20**
	3 Equity			
	Equity share capital	30	226.88	226.90
	Other equity	31	17,915.43	15,735.85
	Total equity		**18,142.31**	**15,962.75**
	Total liabilities and equity		**114,265.79**	**105,418.95**

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in crores)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
(i) Interest income	32	16,267.46	15,335.69
(ii) Dividend income		0.19	4.99
(iii) Rental income		0.22	0.22
(iv) Fee and commission income	33	194.97	126.60
(v) Net gain on fair value changes	34	-	-
(vi) Other operating income	35	99.52	61.65
(I) Total Revenue from operations		**16,562.36**	**15,529.15**
(II) **Other income**	36	20.27	27.51
(III) Total Income (I + II)		**16,582.63**	**15,556.66**
Expenses			
(i) Finance cost	37	8,270.26	7,511.26
(ii) Fee and commission expense	38	56.88	62.19
(iii) Net loss on fair value changes	34	6.75	2.58
(iv) Impairment of financial instruments	39	2,794.88	2,382.26
(v) Employee benefits expenses	40	1,010.82	883.06
(vi) Depreciation, amortisation and impairment	41	141.05	42.97
(vii) Other expenses	42	863.32	894.07
(IV) Total Expenses		**13,143.96**	**11,778.39**
(V) Profit before exceptional items and tax (III - IV)		**3,438.67**	**3,778.27**
(VI) Exceptional items		-	-
(VII) Profit before tax (V+ VI)		**3,438.67**	**3,778.27**
(VIII) Tax Expense:			
(1) Current tax	43	921.20	1,346.37
(2) Deferred tax	43	14.79	(22.27)
(3) Tax adjustment for earlier years		0.84	(109.82)
(IX) Profit for the year from continuing operations (VII-VIII)		**2,501.84**	**2,563.99**
(X) Share of profit of associate		**10.43**	**11.69**
(XI) Profit for the year (IX + X)		**2,512.27**	**2,575.68**
(XII) Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(6.33)	(3.56)
Share of other comprehensive income from associates		0.34	(0.14)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.59	1.24
Tax on share of other comprehensive income from associates		(0.09)	0.04
Subtotal (A)		**(4.49)**	**(2.42)**
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		**(4.49)**	**(2.42)**
(XIII) Total Comprehensive Income for the year (XI + XII)		**2,507.78**	**2,573.26**
(XIV) Earnings per equity share			
Basic (Rs.)	44	110.73	113.52
Diluted (Rs.)	44	110.73	113.52

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

A. Equity share capital

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2018	**226,882,736**	**226.90**
Changes in Equity share capital during the year	-	-
As at March 31, 2019	**226,882,736**	**226.90**
Changes in Equity share capital during the year	-	(0.02)
As at March 31, 2020	**226,882,736**	**226.88**

B. Other equity

(Rs. in crores)

Particulars	Reserves and Surplus							Other comprehensive income- retirement benefits	Total
	Statutory reserve	Capital reserve	Securities premium account	Debenture redemption reserve	Capital redemption reserve	General reserve	Retained earnings		
Balance as at April 01, 2018	**2,654.55**	**27.62**	**1,754.81**	**216.59**	**53.88**	**1,813.91**	**6,944.52**	**(2.41)**	**13,463.47**
Profit for the year	-	-	-	-	-	-	2,575.68	-	**2,575.68**
Other comprehensive income for the year	-	-	-	-	-	-	-	(2.42)	**(2.42)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,575.68**	**(2.42)**	**2,573.26**
Transferred to/(from)	514.00	-	-	158.03	-	350.44	(1,022.47)	-	-
Dividends (Interim and final)	-	-	-	-	-	-	(249.58)	-	**(249.58)**
Tax on dividend (Interim and final)	-	-	-	-	-	-	(51.30)	-	**(51.30)**
Balance as at March 31, 2019	**3,168.55**	**27.62**	**1,754.81**	**374.62**	**53.88**	**2,164.35**	**8,196.85**	**(4.83)**	**15,735.85**

B. Other equity (Contd.)

(Rs. in crores)

Particulars	Reserves and Surplus							Other comprehensive income- retirement benefits	Total
	Statutory reserve	Capital reserve	Securities premium account	Debenture redemption reserve	Capital redemption reserve	General reserve	Retained earnings		
Balance as at April 01, 2019	**3,168.55**	**27.62**	**1,754.81**	**374.62**	**53.88**	**2,164.35**	**8,196.85**	**(4.83)**	**15,735.85**
Profit for the year	-	-	-	-	-	-	2,512.27	-	**2,512.27**
Other comprehensive income for the year	-	-	-	-	-	-	-	(4.49)	**(4.49)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,512.27**	**(4.49)**	**2,507.78**
Transferred to/(from)	500.38	-	-	235.79	-	250.19	(986.36)	-	-
Transfer from share forfeiture account	-	0.02	-	-	-	-	-	-	**0.02**
Dividends (Interim and final)	-	-	-	-	-	-	(272.26)	-	**(272.26)**
Tax on dividend (Interim and final)	-	-	-	-	-	-	(55.96)	-	**(55.96)**
Balance as at March 31, 2020	**3,668.93**	**27.64**	**1,754.81**	**610.41**	**53.88**	**2,414.54**	**9,394.54**	**(9.32)**	**17,915.43**

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,438.67	3,778.27
Depreciation, amortisation and impairment	141.05	42.97
Interest on income tax refund	(5.80)	(6.66)
Loss on sale of investments	0.12	-
Loss/(profit) on sale of fixed assets (net)	(1.17)	0.51
Impairment on loans	2,748.87	2,450.51
Impairment on investments	42.22	(0.06)
Impairment on undrawn loan commitment	4.39	6.71
Impairment on other assets	(0.60)	(74.90)
Net (gain)/loss on fair value changes on investment	0.87	(0.52)
Net (gain)/loss on fair value changes on derivatives	5.88	3.10
Operating profit before working capital changes	**6,374.50**	**6,199.93**
Movements in Working capital:		
Decrease/(increase) in loans	(8,229.03)	(8,456.35)
(Increase)/decrease in investments	1,157.38	(1,657.13)
Decrease/(increase) in receivables	12.28	(10.98)
Decrease/(increase) in bank deposits	(1,273.60)	(368.49)
Decrease/(increase) in other financial assets	(7.67)	75.49
Decrease/(increase) in other non-financial assets	(28.09)	(3.43)
Increase/(decrease) in payables	10.38	(86.31)
Increase/(decrease) in other financial liabilities	(104.04)	126.22
Increase/(decrease) in non-financial liabilities	13.79	(3.83)
Increase/(decrease) other provision	7.69	2.31
Cash generated from operations	**(2,066.41)**	**(4,182.57)**
Direct taxes paid (net of refunds)	(1,065.03)	(1,352.41)
Net cash flows from/(used in) operating activities (A)	**(3,131.44)**	**(5,534.98)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(57.80)	(77.97)
Proceeds from sale of property, plant and equipment and intangible assets	2.60	1.83
Net cash flows from/(used in) investing activities (B)	**(55.20)**	**(76.14)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Derivatives	(826.31)	64.46
Amount received from deposits received (including ICDs)	4,433.61	5,006.10
Repayment of deposits	(2,940.82)	(3,315.19)
Amount received from debt securities	13,085.18	9,057.53
Repayment of debt securities	(9,557.89)	(6,562.70)
Amount received from subordinated debts	-	2,360.00
Repayment of subordinated debts	(449.01)	(864.56)
Amount received from borrowings other than debt securities	42,569.54	56,824.89
Repayment of borrowings other than debt securities	(40,683.27)	(56,722.52)
Payment of lease liabilities	(56.20)	-
Dividend paid	(272.38)	(247.16)
Tax on dividend	(55.96)	(51.30)

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net cash flows from financing activities (C)	**5,246.49**	**5,549.55**
Net increase in cash and cash equivalents (A+B+C)	2,059.85	(61.57)
Cash and cash equivalents at the beginning of the year	1,029.14	1,090.71
Cash and cash equivalents at the end of the year	**3,088.99**	**1,029.14**
Net cash provided by (used in) operating activities includes		
Interest received on loans	14,487.74	14,842.91
Interest paid	(5,923.07)	(5,813.03)
Dividend received	0.19	4.99

(Rs. in crores)

Components of cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents at the end of the year		
i) Cash on hand	41.24	123.47
ii) Cheques on hand	2.38	18.18
iii) Balances with banks (of the nature of cash and cash equivalents)	1,810.59	761.67
iv) Bank deposit with original maturity less than three months	1,234.78	125.82
Total	**3,088.99**	**1,029.14**

See accompanying notes forming part of the financial statements.

As per our report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

1 BASIS OF PREPARATION

The Consolidated financial statements relates to M/s. Shriram Transport Finance Company Limited (the " Company") and its associate. The Consolidated financial statements of the Company and its associate 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 Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

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

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

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

2 BASIS OF CONSOLIDATION

(i) The financial statements of the associate company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2020 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Company and its associate have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' 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.

(iii) The consolidated financial statements have been prepared on the following basis:

a) Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.

b) The policies of the associate company are consistent with those of the Company.

(iv) The associate company considered in the consolidated financial statements are as below (refer note 45):

Name of the associate company	Country of incorporation	Share of ownership interest as at March 31, 2020	Share of ownership interest as at March 31, 2019
Shriram Automall India Limited (SAMIL)	India	44.56%	44.56%

3 PRESENTATION OF FINANCIAL STATEMENT

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

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and its associate 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 Consolidated financial statements of the Company and its associate 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.

Except for the changes below, the Company and its associate has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. Refer note 6.3(iii) for the Company's policy on leases.

5 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

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

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

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

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

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

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

Debt instruments

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

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

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

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

Equity instruments

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

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

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

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

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

Financial instruments held for trading

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

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

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

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

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

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

designated any financial instruments as measured at fair value through profit or loss.

(v) Derivatives

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

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.
- The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period. Such derivative instruments are presented as assets in case of a fair value gain and as liabilities in case of fair value loss. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vi) Embedded Derivatives

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

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

(vii) Debt securities and other borrowed funds

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

(viii) Financial guarantees

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

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

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2018-19 and until the year ended March 31, 2020.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition

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

b) Investments are initially recognised on the settlement date.

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

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

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

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

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

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

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

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

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

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

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

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

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

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

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

b) Financial liabilities

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

(xi) Impairment of financial assets

Overview of the ECL principles

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

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

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

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

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

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

Stage 1

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

Stage 2

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

Stage 3

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

Credit-impaired financial assets:

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

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

a) Significant financial difficulty of the borrower or issuer;

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

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

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

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

ECL on Investment in Government securities:

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

Simplified approach for trade/other receivables and contract assets

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

Financial guarantee contracts

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

ECL on Debt instruments measured at fair value through OCI

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

The mechanics of ECL:

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 53.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 53

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 53.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Refer note 62 for impact of COVID and macro-economic factors on PD and LGD estimation.

Collateral Valuation

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

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(xii) Write-offs

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

(xiii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

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

i. In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition

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

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

6.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

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

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

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

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

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

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

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

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

(iii) Rental Income

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

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

(iv) Fees & Commission Income

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

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

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

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

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

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

(v) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 34) held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

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

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

6.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

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

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

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

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.
Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined Benefit schemes

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

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

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

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

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

Other long-term employee benefits

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

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

(iii) Rent Expense:

Upto March 31, 2019

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 the risks and benefits incidental to ownership of the leased items are operating leases.

From April 01, 2019

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

The Company's lease asset classes consist of leases for office premises.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

In the comparative period, leases, lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

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

(iv) Other income and expenses

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

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised 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 recognises 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 recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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

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

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

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

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

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

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

Conversion:

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

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

6.5 Cash and cash equivalents

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

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

6.6 Property, plant and equipment

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

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

Depreciation

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

The estimated useful lives are as follows:

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

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

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

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

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

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

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

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

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

6.8 Investment Property

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

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

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

6.9 Provisions

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

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

6.10 Contingent Liabilities

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

6.11 Earning Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity

shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6.12 Share Based Payment Transactions

As per Ind AS 101, the entity is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind-AS. The Company has decided to avail this exemption and have decided not to apply the requirements of Ind AS 102 to equity instruments that vested before date of transition to Ind-AS.

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

7.1 Business Model Assessment

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

7.2 Defined employee benefit assets and liabilities

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

7.3 Fair value measurement:

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

7.4 Impairment of loans portfolio

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

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

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

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

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

7.6 Effective Interest Rate (EIR) method

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

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

7.7 Other estimates

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

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	41.24	123.47
	Balances with banks (of the nature of cash and cash equivalents)	1,810.59	761.67
	Cheques on hand	2.38	18.18
	Bank deposit with original maturity less than three months	1,234.78	125.82
	Total	**3,088.99**	**1,029.14**

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

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
9	**BANK BALANCE OTHER THAN ABOVE**		
	Balances with banks		
	Unclaimed dividend accounts	10.57	10.69
	Bank deposit with original maturity for more than three months	364.16	200.37
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments. *	3,851.20	2,741.27
	Total	**4,225.93**	**2,952.33**

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

*Includes deposits Rs. 3,701.14 crores (March 31, 2019: Rs. 2,716.93 crores) pledged with Banks as margin for credit enhancement, Rs. 146.83 crores (March 31, 2019: Rs. 21.28 crores) as margin for guarantees and Rs. 3.23 crores (March 31, 2019: Rs. 3.06 crores) pledged as lien against loans taken.

10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in crores)

Particulars		As at March 31, 2020				As at March 31, 2019			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I									
(i)	**Currency derivatives:**								
	- Spots and forwards	8,018.44	378.05	-	-	374.86	1.22	-	-
	- Currency swaps	1,769.50	11.50	-	-	2,402.33	18.67	2,849.90	83.05
	- Cross currency interest rate swaps	6,389.23	319.50	-	-	-	-	-	-
	Sub total (i)	**16,177.17**	**709.05**	**-**	**-**	**2,777.19**	**19.89**	**2,849.90**	**83.05**
(ii)	**Interest rate derivatives:**								
	-Forward rate agreements and interest rate swaps	-	-	-	-	40.00	1.83	15.00	0.37
	-Interest rate swaps	8,744.63	45.77	-	-	-	-	-	-
	-Interest rate caps	-	3.91	-	-	-	-	-	-
	Sub total (ii)	**8,744.63**	**49.68**	**-**	**-**	**40.00**	**1.83**	**15.00**	**0.37**
(iii)	**Credit derivatives:**	-	-	-	-	-	-	-	-
(iv)	**Equity linked derivatives:**	-	-	-	-	-	-	-	-
(v)	**Other derivatives:**	-	-	-	-	-	-	-	-
Total derivative financial instruments (i+ii+iii+iv+v)		**24,921.80**	**758.73**	**-**	**-**	**2,817.19**	**21.72**	**2,864.90**	**83.42**
Part II									
	Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i)	Undesignated Derivatives	24,921.80	758.73	-	-	2,817.19	21.72	2,864.90	83.42
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)		**24,921.80**	**758.73**	**-**	**-**	**2,817.19**	**21.72**	**2,864.90**	**83.42**

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 53.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments.

Derivatives not designated as hedging instruments

The Company uses cross currency interest rate swaps, interest rate swaps, principal only swaps, forward contracts, interest rate caps to manage its interest rate risk and foreign currency risk arising from USD and EURO denominated External commercial borrowings and bonds. The derivative instruments are entered into for periods consistent with exposure of the underlying transactions.

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Details of the derivative instruments are given below:

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Notional amounts	Derivative assets	Notional amounts	Derivative liabilities	Notional amounts	Derivative assets	Notional amounts	Derivative liabilities
Interest rate risk:								
Interest rate swaps	8,744.63	45.77	-	-	40.00	1.83	15.00	0.37
Interest rate caps	-	3.91	-	-	-	-	-	-
Foreign currency risk:								
Principal only swaps	1,769.50	11.50	-	-	-	-	-	-
Currency swaps	-	-	-	-	2,402.33	18.67	2,849.90	83.05
Forward contracts	8,018.44	378.05	-	-	374.86	1.22	-	-
Cross currency interest rate swaps	6,389.23	319.50	-	-	-	-	-	-
Total	**24,921.80**	**758.73**	**-**	**-**	**2,817.19**	**21.72**	**2,864.90**	**83.42**

11 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	10.50	8.48
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Total	**10.50**	**8.48**
Less: Allowances for impairment loss	-	-
Total	**10.50**	**8.48**

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured *	5.64	19.94
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	2.10	1.58
Total	**7.74**	**21.52**
Less: Allowances for impairment loss on credit impaired other receivables	2.10	1.58
Total	**5.64**	**19.94**

There is no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

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

*Includes receivables from associate Rs. Nil (March 31, 2019: Rs. 0.58 crores).

11 RECEIVABLES (Contd.)

(Rs. in crores)

Trade receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2020	Estimated total gross carrying amount at default	-	10.22	0.28	-	-	-	**10.50**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**-**	**10.22**	**0.28**	**-**	**-**	**-**	**10.50**
March 31, 2019	Estimated total gross carrying amount at default	7.98	0.07	0.43	-	-	-	**8.48**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**7.98**	**0.07**	**0.43**	**-**	**-**	**-**	**8.48**

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

(Rs. in crores)

Other receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2020	Estimated total gross carrying amount at default	-	2.46	1.73	1.71	0.31	1.53	**7.74**
	ECL-simplified approach	-	0.18	0.04	0.04	0.31	1.53	**2.10**
	Net carrying amount	**-**	**2.28**	**1.69**	**1.67**	**-**	**-**	**5.64**
March 31, 2019	Estimated total gross carrying amount at default	0.24	19.30	0.34	0.06	0.08	1.50	**21.52**
	ECL-simplified approach	-	-	-	-	0.08	1.50	**1.58**
	Net carrying amount	**0.24**	**19.30**	**0.34**	**0.06**	**-**	**-**	**19.94**

Reconciliation of impairment allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2018	**1.92**
Add: Addition during the year	-
(Less): Reduction during the year	(0.34)
Impairment allowance as per March 31, 2019	**1.58**
Add: Addition during the year	0.53
(Less): Reduction during the year	(0.01)
Impairment allowance as per March 31, 2020	**2.10**

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
12	**LOANS**		
	(A)		
	Loans (at amortised cost)		
	i) Term loans	105,073.08	99,444.62
	ii) Others -Unsecured loans	3,428.63	2,862.87
	Total (A) - Gross	**108,501.71**	**102,307.49**
	Less : Impairment loss allowance	6,270.08	5,556.00
	Total (A) - Net	**102,231.63**	**96,751.49**
	(B)		
	i) Secured by tangible assets	105,061.35	99,440.23
	ii) Secured by deposits	11.73	4.39
	iii) Unsecured	3,428.63	2,862.87
	Total (B) - Gross	**108,501.71**	**102,307.49**
	Less : Impairment loss allowance (refer note 62)	6,270.08	5,556.00
	Total (B) - Net	**102,231.63**	**96,751.49**
	(C) Loans in India		
	i) Public sector	-	-
	ii) Others		
	Retail	107,959.44	101,790.38
	Corporates	542.27	517.11
	Total (C) - Gross	**108,501.71**	**102,307.49**
	Less : Impairment loss allowance (refer note 62)	6,270.08	5,556.00
	Total (C)- Net	**102,231.63**	**96,751.49**

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.06.

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total	Stage 1 collective	Stage 2 collective	Stage 3 collective	TOTAL
Internal rating grade								
Performing								
High grade	71,178.65	-	-	**71,178.65**	52,834.58	-	-	**52,834.58**
Standard grade	15,886.32	-	-	**15,886.32**	21,265.18	-	-	**21,265.18**
Sub-standard grade	-	10,002.10	-	**10,002.10**	-	13,607.30	-	**13,607.30**
Past due but not impaired	-	2,257.56	-	**2,257.56**	-	5,983.97	-	**5,983.97**
Non- performing	-	-	**9,177.08**	**9,177.08**	**0.13**	**0.06**	**8,616.27**	**8,616.46**
Total	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**

12 LOANS (Contd.)

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

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**	**70,398.28**	**16,865.67**	**8,934.46**	**96,198.41**
New assets originated or purchased	43,005.82	7,356.58	1,113.47	**51,475.87**	40,762.97	9,240.97	2,339.34	**52,343.28**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(31,192.03)	(8,391.85)	(3,662.42)	**(43,246.30)**	(32,302.58)	(8,251.76)	(3,332.56)	**(43,886.90)**
Transfers to stage 1	30,922.99	(27,685.66)	(3,237.33)	-	7,333.10	(6,292.38)	(1,040.72)	-
Transfers to stage 2	(26,129.73)	30,711.25	(4,581.52)	-	(9,506.30)	10,374.80	(868.50)	-
Transfers to stage 3	(3,235.91)	(9,157.36)	12,393.27	-	(2,186.45)	(2,112.51)	4,298.96	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(406.06)	(164.63)	(1,464.66)	**(2,035.35)**	(399.13)	(233.46)	(1,714.71)	**(2,347.30)**
Gross carrying amount closing balance	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**1,472.80**	**1,113.46**	**2,969.74**	**5,556.00**	**1,393.04**	**965.36**	**3,094.39**	**5,452.79**
New assets originated or purchased	887.83	489.55	382.72	**1,760.10**	1,929.56	664.44	949.21	**3,543.21**
Transfers to stage 1	2,611.27	(1,581.05)	(1,030.22)	-	731.99	(376.75)	(355.24)	-
Transfers to stage 2	(524.43)	2,014.89	(1,490.46)	-	(192.27)	488.28	(296.01)	-
Transfers to stage 3	(63.94)	(552.01)	615.95	-	(47.46)	(138.55)	186.01	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(1,821.42)	(392.13)	3,202.88	**989.33**	(1,942.93)	(255.86)	1,106.09	**(1,092.70)**
Amounts written off	(406.06)	(164.63)	(1,464.66)	**(2,035.35)**	(399.13)	(233.46)	(1,714.71)	**(2,347.30)**
ECL allowance - closing balance	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**	**1,472.80**	**1,113.46**	**2,969.74**	**5,556.00**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,447.19 crores at March 31, 2020 (March 31, 2019: Rs. 1,802.17 crores).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total
i) Mutual funds *	-	3.02	-	**3.02**	-	323.82	-	**323.82**
ii) Government securities (refer note 64)	1,824.46	-	-	**1,824.46**	1,495.15	-	-	**1,495.15**
iii) Debt securities	52.67	-	-	**52.67**	52.67	-	-	**52.67**
iv) Equity instruments	-	3.36	-	**3.36**	-	3.58	-	**3.58**
v) Associates **(at cost)**	-	-	150.52	**150.52**	-	-	139.84	**139.84**
vi) Pass through certificates (unquoted)	942.79	-	-	**942.79**	877.81	-	-	**877.81**
vii) Certificate of deposits	-	-	-	-	-	1,231.71	-	**1,231.71**
viii) Others (venture capital fund)	-	1.04	-	**1.04**	-	0.97	-	**0.97**
Total Gross (A)	**2,819.92**	**7.42**	**150.52**	**2,977.86**	**2,425.63**	**1,560.08**	**139.84**	**4,125.55**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	2,819.92	7.42	150.52	**2,977.86**	2,425.63	1,560.08	139.84	**4,125.55**
Total Gross (B)	**2,819.92**	**7.42**	**150.52**	**2,977.86**	**2,425.63**	**1,560.08**	**139.84**	**4,125.55**
Less : Allowance for impairment loss (C)	(42.23)	-	-	**(42.23)**	(0.01)	-	-	**(0.01)**
Total - Net D = (A) - (C)	**2,777.69**	**7.42**	**150.52**	**2,935.63**	**2,425.62**	**1,560.08**	**139.84**	**4,125.54**

More information regarding the valuation methodologies can be found in Note 52.10

* The Company received dividend of Rs. 0.19 crores (March 31, 2019: Rs. 4.99 crores) from its investments measured at fair value through profit or loss, recorded as dividend income.

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system for investments carried at amortised cost are explained in note 53.02.

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	2,767.25	-	-	**2,767.25**	2,425.63	-	-	**2,425.63**
Standard grade	-	-	-	-	-	-	-	-
Non-performing	-	-	-	-	-	-	-	-
Individually Impaired	-	52.67	-	**52.67**	-	-	-	-
Total	**2,767.25**	**52.67**	-	**2,819.92**	**2,425.63**	-	-	**2,425.63**

13 INVESTMENTS (Contd.)

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	2,425.63	-	-	**2,425.63**	2,267.04	52.67	-	**2,319.71**
New assets originated or purchased	1,190.59	-	-	**1,190.59**	798.22	-	-	**798.22**
Assets derecognised or matured (excluding write-offs)	(796.51)	-	-	**(796.51)**	(692.10)	-	-	**(692.10)**
Change in fair value	0.21	-	-	**0.21**	(0.20)	-	-	**(0.20)**
Transfers to stage 1	-	-	-	-	52.67	(52.67)	-	-
Transfers to stage 2	(52.67)	52.67	-	-	-	-	-	-
Closing balance	**2,767.25**	**52.67**	-	**2,819.92**	**2,425.63**	-	-	**2,425.63**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**0.01**	-	-	**0.01**	-	**0.07**	-	**0.07**
New assets originated or purchased	-	-	-	-	-	-	-	-
Transfers to stage 1	-	-	-	-	0.07	(0.07)	-	-
Transfers to stage 2	(0.01)	0.01	-	-	-	-	-	-
Unwinding of discount (recognised in interest income)	-	0.93	-	**0.93**	-	-	-	-
Changes to models and inputs used for ECL calculations	23.79	17.50	-	**41.29**	(0.06)	-	-	**(0.06)**
Closing balance in ECL	**23.79**	**18.44**	-	**42.23**	**0.01**	-	-	**0.01**

Reconciliation of gross carrying value of investment in associate is given below:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**139.84**	**128.25**
Share of profit of associate	10.43	11.69
Share of other comprehensive income from associates (net of tax)	0.25	(0.10)
Closing balance	**150.52**	**139.84**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
14 OTHER FINANCIAL ASSETS		
Security deposits *	45.15	36.88
Total	**45.15**	**36.88**

* Net of allowance for impairment loss recognised on security deposit Rs. 0.60 crore (March 31, 2019: Rs. 1.28 crores).

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
15 CURRENT TAX ASSETS (NET)		
Advance income tax [net of provision for income tax Rs. 2,910.66 crores (March 31, 2019: Rs. 2,909.82 crores)]	249.10	106.58
Total	**249.10**	**106.58**

(Rs. in crores)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Freehold Land	Buildings	Total	Freehold Land	Buildings	Total
16 INVESTMENT PROPERTY						
Gross block at cost						
Opening balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Accumulated depreciation and impairment						
Opening balance	-	**0.09**	**0.09**	-	**0.06**	**0.06**
Depreciation charge for the year	-	0.03	**0.03**	-	0.03	**0.03**
Disposals	-	-	-	-	-	-
Closing balance	-	**0.12**	**0.12**	-	**0.09**	**0.09**
Net carrying amount	**0.70**	**1.33**	**2.03**	**0.70**	**1.36**	**2.06**

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

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rental income from investment property	0.22	0.22
Direct operating expenses arising from investment property that generated rental income during the year	0.06	0.03
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
Profit from investment property before depreciation	**0.16**	**0.19**
Depreciation charge for the year	0.03	0.03
Profit from investment property after depreciation	**0.13**	**0.16**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair value of the investment property as at March 31, 2020 is Rs. 6.43 crores (March 31, 2019: Rs. 6.43 crores).

(iv) Pledged details

Investment property is not pledged.

(v) Estimation of fair value

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

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Gross block at cost									
As at April 01, 2018	**0.15**	**2.72**	**8.82**	**33.62**	**17.81**	**20.24**	**0.54**	**62.26**	**146.16**
Additions	0.50	0.78	1.86	19.20	8.40	6.73	-	31.92	**69.39**
Disposals	-	1.11	0.90	7.95	1.60	1.17	0.27	5.79	**18.79**
Adjustment*	-	-	-	-	0.01	-	-	(0.01)	-
As at March 31, 2019	**0.65**	**2.39**	**9.78**	**44.87**	**24.62**	**25.80**	**0.27**	**88.38**	**196.76**
Additions	-	-	1.53	17.66	9.12	5.38	-	22.74	**56.43**
Disposals	0.06	-	0.29	8.24	2.15	0.78	0.02	6.13	**17.67**
Adjustment*	-	-	0.07	-	-	0.29	-	(0.36)	-
As at March 31, 2020	**0.59**	**2.39**	**11.09**	**54.29**	**31.59**	**30.69**	**0.25**	**104.63**	**235.52**
Accumulated depreciation and impairment									
As at April 01, 2018	**-**	**0.04**	**1.00**	**5.70**	**4.66**	**1.96**	**0.03**	**14.54**	**27.93**
Charge for the year	-	0.05	1.36	12.37	4.98	2.84	0.08	20.24	**41.92**
Disposals	-	0.17	0.80	7.27	1.48	1.00	0.26	5.57	**16.55**
Adjustment*	-	-	-	-	0.01	-	-	(0.01)	-
As at March 31, 2019	**-**	**(0.08)**	**1.56**	**10.80**	**8.17**	**3.80**	**(0.15)**	**29.20**	**53.30**
Charge for the year	-	0.05	1.47	15.56	5.49	3.28	0.07	22.66	**48.58**
Disposals	-	-	0.23	7.44	1.98	0.66	0.01	5.92	**16.24**
Adjustment*	-	-	0.02	-	-	0.10	-	(0.12)	-
As at March 31, 2020	**-**	**(0.03)**	**2.82**	**18.92**	**11.68**	**6.52**	**(0.09)**	**45.82**	**85.64**
Net carrying amount as at March 31, 2019	**0.65**	**2.47**	**8.22**	**34.07**	**16.45**	**22.00**	**0.42**	**59.18**	**143.46**
Net carrying amount as at March 31, 2020	**0.59**	**2.42**	**8.27**	**35.37**	**19.91**	**24.17**	**0.34**	**58.81**	**149.88**

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

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2020 is Rs. 0.36 crores (March 31, 2019: Rs. 0.34 crores).

18 LEASES

A] This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

The Balance sheet shows the following amounts relating to leases

Right-of-use assets

(Rs. in crores)

Particulars	As at March 31, 2020
Office premises	
As at March 31, 2019	-
Right-of-use assets on transition	371.83
Additions	71.36
Depreciation charge for the year	(91.17)
Deletions	(24.18)
Net carrying amount as at March 31, 2020	**327.84**

Lease liabilities

Maturity analysis of lease liabilities

(Rs. in crores)

Particulars	As at March 31, 2020
Less than 1 year	80.97
1 to 2 years	74.50
2 to 3 years	61.40
3 to 4 years	47.99
4 to 5 years	35.80
More than 5 years	62.15
Total	**362.81**

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to the lease contracts existing on April 01, 2019 using the modified retrospective approach, recognising right-of-use assets and adjusted lease liability. As per Ind AS 116, lease commitments are recognised as lease liability and need not be disclosed under contingent liabilities and commitments.

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

(Rs. in crores)

	Particulars	As at March 31, 2020
(ii)	**Amounts recognised in the Statement of Profit or Loss**	
	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	91.17
	Interest expense (included in finance costs)	33.73
	Expense relating to short-term leases (included in other expenses)	9.88
	Expense relating to variable lease payments not included in lease liabilities (included in other expenses).	-
	Income from subleasing right-of-use assets(included in other income)	8.61
(iii)	**Gains or losses arising from sale and leaseback transactions**	-
(iv)	**The total cash outflow for leases during the year ended March 31, 2020**	110.46

The weighted average incremental borrowing rate of 9.09% has been applied to lease liabilities recognised in the balance sheet as at April 01, 2019 .

The difference between the operating lease commitments disclosed applying Ind AS 17 as of March 31, 2019 and the value of the lease liability arrived using the incremental borrowing rate as of April 01, 2019 is primarily on account of exclusion of short term leases in measuring the lease liability in accordance with Ind AS 116.

18 LEASES (Contd.)

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

B] This note provides information for leases where the Company is a lessor.

The Company has given office premises under lease. The income from lease recognised in the Statement of Profit and Loss are Rs. 0.22 crore (March 31, 2019: Rs. 0.22 crore). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

Future minimum lease receivables under non-cancellable leases as at March 31, 2020 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	0.16	0.15
After one year but not more than five years	0.42	0.58
More than five years	-	-
Total	**0.58**	**0.73**

(Rs. in crores)

Particulars	Computer software
19 OTHER INTANGIBLE ASSETS #	
Gross block at cost	
As at April 01, 2018	**2.63**
Additions	1.36
Disposals	1.93
As at March 31, 2019	**2.06**
Additions	1.96
Disposals	-
As at March 31, 2020	**4.02**
Accumulated amortisation and impairment:	
As at April 01, 2018	**0.89**
Charge for the year	1.03
Disposals	1.83
Adjustment*	0.00
As at March 31, 2019	**0.09**
Charge for the year	1.26
Disposals	-
As at March 31, 2020	**1.35**
Net carrying amount as at March 31, 2019	**1.97**
Net carrying amount as at March 31, 2020	**2.67**

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

Other than internally generated

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
20 OTHER NON-FINANCIAL ASSETS		
Deferred lease rental	-	8.67
Goods and services tax credit (input) receivable	66.86	52.06
Prepaid expenses	8.21	8.32
Capital advances	0.86	3.04
Duties paid under protest	86.40	64.68
Other non-financial assets	7.24	6.89
Total	**169.57**	**143.66**

21 PAYABLES

Trade payables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.40	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	143.44	133.46
Total	**143.84**	**133.46**

*Includes payable to associate Rs. 0.41 crores (March 31, 2019: Rs. Nil).

Other payables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.13	2.72
Total	**1.13**	**2.72**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
22 DEBT SECURITIES		
At amortised cost		
Secured		
Redeemable non-convertible debentures		
- Public issue ¥	5,796.78	5,770.85
- Privately placed ¥¥	14,204.14	19,127.33
External commercial bond	12,607.01	2,769.96
Senior secured notes	1,204.92	2,564.99
Unsecured		
Redeemable non-convertible debentures		
- Privately placed	454.11	444.83
Commercial papers	-	3,503.80
Total	**34,266.96**	**34,181.76**
Debt securities in India	20,455.03	28,846.81
Debt securities outside India	13,811.93	5,334.95
Total	**34,266.96**	**34,181.76**

¥ includes Rs. 40.50 crores (March 31, 2019 Rs.14.49 crores) issued to related parties including Directors.

¥¥ includes Rs. Nil (March 31, 2019 Rs. 82.81 crores) issued to related parties.

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
23	**BORROWINGS (OTHER THAN DEBT SECURITIES)**		
	At amortised cost		
	Secured		
	Term loan from banks - INR	13,259.27	11,831.39
	Term loan from banks - FCNR	-	411.52
	Term loan from financial institutions/corporates - INR	1,446.29	3,413.04
	External commercial borrowing - FCNR	4,300.61	2,376.53
	Loans repayable on demand from banks (Cash credit from banks)	2,016.39	1,418.30
	Other loans - INR -Securitisation liabilities	21,452.04	17,738.52
	Total	**42,474.60**	**37,189.30**
	Borrowings in India	38,173.99	34,401.25
	Borrowings outside India	4,300.61	2,788.05
	Total	**42,474.60**	**37,189.30**

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
24	**DEPOSITS**		
	At amortised cost		
	Unsecured		
	Deposits		
	i. Public deposits *	11,768.48	10,169.76
	ii. From corporate **	152.22	145.32
	iii. Inter-corporate deposits from associate	39.42	26.38
	Total	**11,960.12**	**10,341.46**

* includes Rs. 1.58 crores (March 31, 2019 Rs. 1.42 crores) accepted from related parties including Director.

** includes Rs. 1.55 crores (March 31, 2019 Rs. 14.99 crores) accepted from related parties.

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
25	**SUBORDINATED LIABILITIES**		
	At amortised cost		
	Unsecured		
	Subordinated debts - Debentures #	5,138.00	5,243.09
	Subordinated debts - Bonds ##	532.07	958.79
	Total	**5,670.07**	**6,201.88**
	Subordinated debts in India	5,670.07	6,201.88
	Subordinated debts outside India	-	-
	Total	**5,670.07**	**6,201.88**

includes Rs. 422.19 crores (March 31, 2019 Rs. 470.39 crores) issued to related parties.

includes Rs. 3.17 crores (March 31, 2019 Rs. 5.92 crores) issued to related parties.

I DEBT SECURITIES

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

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	104.94	-	**104.94**
Total	**-**	**104.94**	**-**	**104.94**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	100.99	-	**100.99**
Total	**-**	**100.99**	**-**	**100.99**

Nature of security

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

The Company had utilised the entire sum of Rs. 500.00 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

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

As per the terms of the issue NCD 2013 (2) Rs. 114.68 crores were redeemed on October 23, 2018.

As per the terms of the issue Rs. 294.01 crores were redeemed on October 24, 2016.

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	35.05	198.45	-	**233.50**
Total	**35.05**	**198.45**	**-**	**233.50**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
24-36 months	-	227.59	-	**227.59**
12-24 months	27.80	437.16	-	**464.96**
Total	**27.80**	**664.75**	**-**	**692.55**

Nature of security

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

The Company had utilised the entire sum of Rs. 1,974.85 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

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

As per the terms of the issue Rs. 427.15 crores were redeemed on July 15, 2019.

As per the terms of the issue Rs. 1,348.33 crores were redeemed on July 15, 2017.

I DEBT SECURITIES (Contd.)

iii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 1)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	496.11	-	-	**496.11**
36-48 months	825.13	-	-	**825.13**
12-24 months	2,427.46	-	-	**2,427.46**
Total	**3,748.70**	**-**	**-**	**3,748.70**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	609.81	-	-	**609.81**
48-60 months	813.37	-	-	**813.37**
24-36 months	2,407.61	-	-	**2,407.61**
Total	**3,830.79**	**-**	**-**	**3,830.79**

Nature of security

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

The Company had utilised the entire sum of Rs. 3,648.52 crores raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 107.40 crores were redeemed on December 26, 2019

iv) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 2)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.51	-	-	**71.51**
36-48 months	262.12	-	-	**262.12**
12-24 months	-	295.02	-	**295.02**
Total	**333.63**	**295.02**	**-**	**628.65**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.59	-	-	**71.59**
48-60 months	254.12	-	-	**254.12**
24-36 months	-	288.65	-	**288.65**
Total	**325.71**	**288.65**	**-**	**614.36**

Nature of security

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

The Company had utilised the entire sum of Rs. 606.79 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

I DEBT SECURITIES (Contd.)

v) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 3)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.87	-	-	**59.87**
36-48 months	232.06	-	-	**232.06**
12-24 months	-	253.76	-	**253.76**
Total	**291.93**	**253.76**	**-**	**545.69**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.73	-	-	**59.73**
48-60 months	226.96	-	-	**226.96**
24-36 months	-	245.47	-	**245.47**
Total	**286.69**	**245.47**	**-**	**532.16**

Nature of security

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

The Company had utilised the entire sum of Rs. 537.32 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

vi) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 1)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.48	41.75	-	**62.23**
48-60 months	33.47	66.95	-	**100.42**
24-36 months	41.21	86.90	-	**128.11**
12-24 months	-	54.98	-	**54.98**
Total	**95.16**	**250.58**	**-**	**345.74**

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

Nature of security

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

The Company has utilised the entire sum of Rs. 339.94 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

I DEBT SECURITIES (Contd.)

vii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 2)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
Over 60 months	26.19	-	-	**26.19**
48-60 Months	64.80	-	-	**64.80**
24-36 months	78.09	20.48	-	**98.57**
Total	**169.08**	**20.48**	**-**	**189.56**

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

Nature of security

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

The Company has utilised the entire sum of Rs. 193.67 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10%* ¥^	>= 10% < 12% *^	>= 12% < 14%	>=14% <16%	
over 60 months	524.89	-	-	-	**524.89**
48-60 months	154.80	1,299.08	-	-	**1,453.88**
36-48 months	210.38	172.02	-	-	**382.40**
24-36 months	1,780.18	202.41	148.38	-	**2,130.97**
12-24 months ^	4,481.32	804.89	-	-	**5,286.21**
upto 12 months *¥^	4,045.92	379.87	-	-	**4,425.79**
Total	**11,197.49**	**2,858.27**	**148.38**	**-**	**14,204.14**

* Includes 1 NCD of Rs. 666.00 crores partly paid to the extent of Rs. 666,000/- (50% redeemed)

* Includes 1 NCD of Rs. 25.00 crores partly paid to the extent of Rs. 111,111.11

^NCD amounting to Rs. 1,867.30 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

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

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	110.00	August 7, 2020
Total		**110.00**	

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10% *^¥	>= 10% < 12% ^	>= 12% < 14%	>=14% <16%	
over 60 months	692.23	1,334.80	-	-	**2,027.03**
48-60 months	210.24	190.84	-	-	**401.08**
36-48 months ^	1,522.76	-	145.77	-	**1,668.53**
24-36 months ^¥	4,687.66	220.02	-	-	**4,907.68**
12-24 months*^¥	2,227.78	980.85	199.10	13.61	**3,421.34**
upto 12 months ¥^	6,701.67	-	-	-	**6,701.67**
Total	**16,042.34**	**2,726.51**	**344.87**	**13.61**	**19,127.33**

* Includes 1 NCD of Rs. 300.00 crores partly paid to the extent of Rs. 500,000/-

I DEBT SECURITIES (Contd.)

* Includes 3 NCD of Rs. 80.00 crores partly paid to the extent of Rs. 50,000/-

* Includes 2 NCD of Rs. 90.00 crores partly paid to the extent of Rs. 60,000/-

* Includes 1 NCD of Rs. 666.00 crores partly paid to the extent of Rs. 666,000/-

* Includes 1 NCD of Rs. 25.00 crores partly paid to the extent of Rs.111,111.11

* Includes 1 NCD of Rs. 15.00 crores partly paid to the extent of Rs. 100,000/-

^NCD amounting to Rs. 2,177.00 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

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

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	110.00	August 7, 2020
2	8.10%	300.00	March 23, 2020
3	8.79%	45.00	May 22, 2019
Total		**455.00**	

Nature of security

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

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

(Rs. in crores)

Total non-convertible debentures- secured	As at March 31, 2020	As at March 31, 2019
Public issue (i+ii+iii+iv+v+vi+vii)	5,796.78	5,770.85
Privately placed (viii)	14,204.14	19,127.33
Total non-convertible debentures- secured	**20,000.92**	**24,898.18**

B) External commercial bond (ED) Secured

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

Terms of repayment as on March 31, 2020 (Rs. in crores)

Detail	< 10%	>= 10% < 12%	Total
36-48 months	3,808.17	-	**3,808.17**
24-36 months	5,772.26	-	**5,772.26**
12-24 months	-	3,026.58	**3,026.58**
Total	**9,580.43**	**3,026.58**	**12,607.01**

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

Detail	Rate of interest	Total
24-36 months	>=10% <12%	**2,769.96**
Total		**2,769.96**

During the year ended March 31, 2020, the Company issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 Global Medium Term Note Programme. The said notes are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.

During the year ended March 31, 2020, the Company issued and allotted USD 500,000,000 5.100% senior secured notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 Global Medium Term Note Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Company's Social Finance Framework and as may be permitted by the ECB Directions.

I DEBT SECURITIES (Contd.)

During the year ended March 31, 2019, the Company issued and allotted senior secured notes in offshore market (notes) aggregating to INR 2,849.90 crores consisting of 5.70% notes due 2022 under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue have been utilised for the purpose of onward disbursements.

Nature of security

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

C) Senior secured notes

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

Terms of repayment

(Rs. in crores)

Detail	Rate of interest	As at March 31, 2020	As at March 31, 2019
48-60 months	<10%	-	882.97
36-48 months	<10%	885.54	-
24-36 months	<10%	-	317.48
12-24 months	<10%	-	1,364.54
upto 12 months	<10%	319.38	-
Total		**1,204.92**	**2,564.99**

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to INR 1,160 crores consisting of INR 840 crores 8.10% notes due 2023 and INR 320 crores 7.90% notes due 2021 payable in US dollars under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST).

The Company had utilised the entire sum of Rs. 1,160.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Company had issued Rs. 1,350.00 crores 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Exchange (SGX-ST) with a minimum board lot size of S $200,000.

The Company had utilised the entire sum of Rs. 1,350.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

As per the terms of the issue, Rs. 1,350.00 crores were redeemed on February 18, 2020.

Nature of security

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

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

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 months	-	-	454.11	**454.11**
Total	**-**	**-**	**454.11**	**454.11**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	-	-	444.83	**444.83**
Total	**-**	**-**	**444.83**	**444.83**

I DEBT SECURITIES (Contd.)

E) Commercial paper (CP) - unsecured

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

Terms of repayment as on March 31, 2020

Outstanding as at March 31, 2020 is Rs. Nil.

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
upto 12 months	3,503.80	-	-	**3,503.80**
Total	**3,503.80**	-	-	**3,503.80**

II BORROWINGS (other than debt securities)

A) Term loans from banks -secured (INR)

As at March 31, 2020

Terms of repayment #

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 9.50%	20 instalments of quarterly frequency	2,265.25
36-48 months	8.91% to 9.68%	20 instalments of quarterly frequency	583.49
24-36 months	8.11% to 9.63%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	2,469.48
12-24 months	7.00% to 9.90%	1 to 20 instalments of bullet, quarterly and specific frequency	3,112.87
upto 12 months	7.47% to 12.25%	1 to 36 instalments of bullet, monthly, quarterly, half-yearly and specific frequency	4,828.18
Total			**13,259.27**

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

Nature of security

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

As at March 31, 2019

Terms of repayment #

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 10.74%	20 to 21 instalments of quarterly frequency	749.37
36-48 months	8.56% to 9.48%	20 instalments of quarterly frequency	2,343.59
24-36 months	8.30% to 9.85%	12 to 20 instalments of quarterly and specific frequency	2,169.61
12-24 months	8.45% to 10.35%	7 to 36 instalments of monthly, quarterly and specific frequency	2,256.55
upto 12 months	7.75% to 10.76%	1 to 48 instalments of bullet, monthly, quarterly, half-yearly and yearly frequency	4,312.27
Total			**11,831.39**

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

Nature of security

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

II BORROWINGS (other than debt securities) (Contd.)

B) Term loans from banks -secured (FCNR)

As at March 31, 2020

Outstanding as at March 31, 2020 is Rs. Nil.

As at March 31, 2019

Terms of repayment #

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
upto 12 months	2.59% to 9.37%	1 to 10 instalments of bullet, quarterly and specific frequency	411.52
Total			**411.52**

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

Nature of security

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

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

As at March 31, 2020

Terms of repayment #

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	10.20%	11 instalments of specific frequency	227.76
36-48 months	10.50%	11 instalments of specific frequency	461.02
12-24 months	7.95% to 9.21%	11 to 20 instalments of quarterly and specific frequency	646.94
upto 12 months	8.60% to 9.29%	1 to 20 instalments of bullet and quarterly frequency	110.57
Total			**1,446.29**

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

Nature of security

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

As at March 31, 2019

Terms of repayment #

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	10.20%	11 instalments of half-yearly and specific frequency	320.35
48-60 months	10.50%	11 instalments of half-yearly and specific frequency	712.29
36-48 months	8.40% to 9.98%	11 to 20 instalments of quarterly and specific frequency	1,121.92
12-24 months	8.75% to 9.27%	1 to 20 instalments of bullet and quarterly frequency	771.76
upto 12 months	8.60% to 10.50%	1 to 20 instalments of bullet, quarterly and half-yearly frequency	486.72
Total			**3,413.04**

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

Nature of security

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

II BORROWINGS (other than debt securities) (Contd.)

D) External commercial borrowing

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.63% to 11.06%	11 to 13 instalments of half-yearly and specific frequency	1,694.61
36-48 months	9.83% to 10.02%	Bullet frequency	2,606.00
Total			**4,300.61**

Nature of security

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

As at March 31, 2019

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	9.83% to 10.02%	Bullet frequency	2,376.53
Total			**2,376.53**

Nature of security

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

E) Other loans - INR -Securitisation liabilities

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
above 60 months	9.40% to 10.02%	1 to 57 instalments monthly frequency	676.13
48-60 months	7.99% to 10.97%	1 to 63 instalments monthly frequency	9,882.22
36 - 48 months	8.32% to 10.56%	1 to 61 instalments monthly frequency	6,053.47
24 - 36 months	6.90% to 8.87%	1 to 60 instalments monthly frequency	2,526.03
12 - 24 months	7.00% to 7.53%	1 to 55 instalments monthly frequency	303.11
below 12 months	8.28% to 10.21%	1 to 57 instalments monthly frequency	2,011.08
Total			**21,452.04**

Nature of security

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

As at March 31, 2019

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.31% to 10.38%	1 to 61 instalments of monthly frequency	9,473.46
36 - 48 months	6.90% to 8.81%	1 to 60 instalments of monthly frequency	5,795.92
24 - 36 months	7.00% to 8.51%	1 to 55 instalments of monthly frequency	2,170.32
12 - 24 months	7.54% to 8.30%	1 to 55 instalments of monthly frequency	298.82
Total			**17,738.52**

Nature of security

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

II BORROWINGS (other than debt securities) (Contd.)

F) Loans repayable on demand from banks (Cash credit from banks)

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2020
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.00 % to 11.40 %	2,016.39
Total		**2,016.39**

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2019
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.10 % to 11.95 %	1,418.30
Total		**1,418.30**

III DEPOSITS

A) Deposits from public - unsecured -[refer note 64]

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,010.22	-	**1,010.22**
36-48 months	1,140.06	-	**1,140.06**
24-36 months	3,089.58	-	**3,089.58**
12-24 months	3,766.76	-	**3,766.76**
upto 12 months	2,761.85	-	**2,761.85**
Total	**11,768.47**	**-**	**11,768.47**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,050.68	-	**1,050.68**
36-48 months	944.76	-	**944.76**
24-36 months	3,583.09	-	**3,583.09**
12-24 months	2,201.39	-	**2,201.39**
upto 12 months	2,093.31	296.53	**2,389.84**
Total	**9,873.23**	**296.53**	**10,169.76**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Deposits from public	**11,768.47**	**10,169.76**

III DEPOSITS (Contd.)

B) Deposits from corporates - unsecured

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	4.53	-	**4.53**
36-48 months	2.16	-	**2.16**
24-36 months	18.08	-	**18.08**
12-24 months	71.44	-	**71.44**
upto 12 months	56.01	-	**56.01**
Total	**152.22**	**-**	**152.22**

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

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	16.54	-	**16.54**
36-48 months	6.13	-	**6.13**
24-36 months	24.02	-	**24.02**
12-24 months	35.17	-	**35.17**
upto 12 months	63.12	0.34	**63.46**
Total	**144.98**	**0.34**	**145.32**

C) Inter-corporate deposits from associate

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2020
upto 12 months	7.50%	Bullet repayment	39.42
Total			**39.42**

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2019
upto 12 months	9.50%	Bullet repayment	26.38
Total			**26.38**

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities -unsecured - Bonds

i) Privately placed subordinated debts of Rs. 1,000/- each

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	532.07	-	**532.07**
Total	**-**	**532.07**	**-**	**532.07**

IV SUBORDINATED LIABILITIES (Contd.)

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

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
12-24 months	-	492.67	-	**492.67**
upto 12 months	-	466.12	-	**466.12**
Total	-	**958.79**	-	**958.79**

(Rs. in crores)

Subordinated liabilities (unsecured) - Bonds	As at March 31, 2020	As at March 31, 2019
Privately placed	532.07	958.79
Total Subordinated liabilities (unsecured) - Bonds	**532.07**	**958.79**

B) Subordinated liabilities -unsecured - Debentures

i) Privately placed subordinated liabilities of Rs. 100,000/- each

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	74.94	-	**74.94**
Total	-	**74.94**	-	**74.94**

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

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
12-24 months	-	74.92	-	**74.92**
upto 12 months	-	67.04	-	**67.04**
Total	-	**141.96**	-	**141.96**

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

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,570.91	135.51	-	**1,706.42**
48-60 months	40.97	531.22	1,609.30	**2,181.49**
36-48 months	-	332.37	-	**332.37**
24-36 months	-	308.85	-	**308.85**
12-24 months	-	-	51.86	**51.86**
upto 12 months	-	482.07	-	**482.07**
Total	**1,611.88**	**1,790.02**	**1,661.16**	**5,063.06**

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

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,611.01	662.08	1,580.12	**3,853.21**
48-60 months	-	332.10	-	**332.10**
36-48 months	-	308.59	-	**308.59**
24-36 months	-	-	51.77	**51.77**
12-24 months	-	481.33	-	**481.33**
upto 12 months	-	74.13	-	**74.13**
Total	**1,611.01**	**1,858.23**	**1,631.89**	**5,101.13**

IV SUBORDINATED LIABILITIES (Contd.)

(Rs. in crores)

Subordinated liabilities (unsecured) - Debentures	As at March 31, 2020	As at March 31, 2019
Privately placed (i+ii)	5,138.00	5,243.09
Total Subordinated liabilities (unsecured) - Debentures	**5,138.00**	**5,243.09**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
26 OTHER FINANCIAL LIABILITIES		
Investor education and protection fund shall be credited by the following amounts (as and when due)		
- Unclaimed dividend	10.57	10.69
- Unclaimed matured deposits and interest accrued thereon	150.02	173.40
- Unclaimed matured debentures and interest accrued thereon	15.45	18.33
- Unclaimed matured subordinated debts and interest accrued thereon	81.69	46.61
Temporary credit balance in bank accounts	26.63	68.95
Payable on account of assignment	78.78	131.67
Payable to dealers	0.99	6.20
Payable to employees	146.41	125.15
Retention money and other sundry liabilities	217.27	217.73
Other liabilities *	184.51	217.75
Total	**912.32**	**1,016.48**

* Other liabilities include amount payable to Banks for credit card payments, settlement dues payable to resigned employees.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
27 CURRENT TAX LIABILITIES (NET)		
For taxation [net of advance tax Rs. 1,077.82 crores (March 31, 2019: Rs. 2.64 crores)]	102.02	102.97
Total	**102.02**	**102.97**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
28 PROVISIONS		
For employee benefits		
For gratuity (refer note 46)	3.37	1.28
For compensated absences (leave encashment and availment)	34.06	27.47
For others		
For undrawn loan commitment	16.15	11.76
For taxes- contested	92.75	92.75
Total	**146.33**	**133.26**

28 PROVISIONS (Contd.)

Financial guarantee obligation

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

Gross exposure reconciliation

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance of outstanding exposure	-	**871.76**
Additions	-	-
Deletions	-	(871.76)
Closing balance of outstanding exposure	-	-

Reconciliation of ECL on financial guarantee obligation is given below:

(Rs. in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Particulars	**Simplified approach**	**Simplified approach**
Financial guarantee obligation - opening balance	-	**72.93**
Additions	-	-
Deletions	-	(72.93)
Financial guarantee obligation - closing balance	-	-

Loan commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.06.

(Rs. in crores)

	As at March 31, 2020	As at March 31, 2019
Particulars	**Stage 1 Collective**	**Stage 1 Collective**
Internal rating grade		
Performing		
High grade	311.87	471.92
Total	**311.87**	**471.92**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(Rs. in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Particulars	**Stage 1**	**Stage 1**
Opening balance of outstanding exposure	**471.92**	**124.86**
New exposures	233.39	449.02
Exposures derecognised or matured/repaid (excluding write offs)	(393.44)	(101.96)
Closing balance of outstanding exposure	**311.87**	**471.92**

28 PROVISIONS (Contd.)

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

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	General approach	General approach
	Stage 1	Stage 1
ECL allowance - opening balance	11.76	5.05
New exposures	10.78	11.13
Exposures derecognised or matured (excluding write offs)	(6.39)	(4.42)
ECL allowance - closing balance	**16.15**	**11.76**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	73.96	54.87
Advance from customers	9.32	14.62
Total	**83.28**	**69.49**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
30 EQUITY SHARE CAPITAL		
Authorised:		
647,000,000 (March 31, 2019: 647,000,000) equity shares of Rs.10/- each	647.00	647.00
95,000,000 (March 31, 2019: 95,000,000) preference shares of Rs.100/- each	950.00	950.00
	1,597.00	**1,597.00**
Issued share capital		
226,888,877 (March 31, 2019: 226,936,877) equity shares of Rs. 10/- each	226.89	226.94
Subscribed share capital		
226,882,736 (March 31, 2019: 226,930,736) equity shares of Rs. 10/- each	226.88	226.93
Paid up (fully paid up)		
Equity shares		
226,882,736 (March 31, 2019: 226,882,736) equity shares of Rs. 10/- each fully paid up	226.88	226.88
	226.88	**226.88**
Nil [March 31, 2019: 48,000 equity shares of Rs.10/- each (Rs. 5/- each paid up forfeited)] *	-	0.02
Total Equity	**226.88**	**226.90**

* The shareholders in their 40th annual general meeting held on June 27, 2019 considered and approved the cancellation of the forfeited shares from the issued and subscribed share capital of the Company.

30 EQUITY SHARE CAPITAL (Contd.)

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2018	**226,882,736**	**226.88**
Issued during the year	-	-
As at March 31, 2019	**226,882,736**	**226.88**
Issued during the year	-	-
As at March 31, 2020	**226,882,736**	**226.88**

b. Terms/ rights attached to equity shares

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

During the year ended March 31, 2020, the total dividend per equity share proposed for distribution to equity shareholders is Rs. 5.00 (March 31, 2019 : Rs. 12.00). Out of the said total dividend proposed for the year ended March 31, 2020, amount of interim dividend paid during the year was Rs. 5.00 (March 31, 2019 : Rs. 5.00) per equity share and amount of final dividend proposed by the Board of Directors is Rs. Nil (March 31, 2019: Rs. 7.00) per equity share. The Board of Directors at its meeting held on October 24, 2019, had declared interim dividend of Rs. 5/- per equity share of Rs. 10/- each for the financial year 2019-2020. The payment was made on November 19, 2019. In order to conserve cash resources to face the challenges and the contingencies created by Corona virus pandemic, the Board of Directors have not recommended the final dividend. As such, the interim dividend shall be the final dividend for the financial year 2019-20.

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

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

Nil.

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

Details of shareholding	As at March 31, 2020		As at March 31, 2019	
Name of the shareholder	**Number of shares**	**% holding**	**Number of shares**	**% holding**
Equity shares of Rs. 10/- each				
Shriram Capital Limited	59,504,947	26.23%	59,173,023	26.08%
Piramal Enterprises Limited	Nil	Nil	22,600,000	9.96%

e. Refer note 51- Capital management for the Company's objectives, policies and processes for managing capital

f. Proposed dividends on equity shares:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Proposed dividend on equity shares for the year ended on March 31, 2020: Rs. Nil per share (March 31, 2019: Rs. 7.00 per share)	-	158.82
Tax on proposed dividend	-	32.65
Total	**-**	**191.47**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
31 OTHER EQUITY		
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening Balance	**3,168.55**	**2,654.55**
Add: Transfer from retained earnings	500.38	514.00
Closing balance	**3,668.93**	**3,168.55**
Securities premium account	**1,754.81**	**1,754.81**
Capital reserve	27.62	27.62
Add: Transfer from share forfeiture account	0.02	-
Add: On account of sale of subsidiary	-	-
Closing balance	**27.64**	**27.62**
Capital redemption Reserve	**53.88**	**53.88**
Debenture redemption Reserve		
Opening Balance	**374.62**	**216.59**
Add: Transfer from retained earnings	345.26	251.47
Less: Transfer to retained earnings on account of redemption	(109.47)	-
Less: Transfer to general reserve on account of redemption	-	(93.44)
Closing balance	**610.41**	**374.62**
General reserve		
Opening Balance	**2,164.35**	**1,813.91**
Add: Transfer from retained earnings	250.19	257.00
Add: Transfer from debenture redemption reserve	-	93.44
Closing balance	**2,414.54**	**2,164.35**
Other comprehensive income		
Opening balance	**(4.83)**	**(2.41)**
Add: Other comprehensive income / (loss) for the year (net of tax)	(4.74)	(2.32)
Add: Share of other comprehensive income from associates (net of tax)	0.25	(0.10)
Closing balance	**(9.32)**	**(4.83)**
Retained earnings		
Opening balance	**8,196.85**	**6,944.52**
Add: Profit for the current year	2,512.27	2,575.68
Add / Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(500.38)	(514.00)
Transfer to general reserve	-	(257.00)
Transfer to/from debenture redemption reserve	(235.79)	(251.47)
Interim dividend	(113.44)	(113.44)
Tax on interim dividend	(23.32)	(23.32)
Final dividend	(158.82)	(136.14)
Tax on final dividend	(32.64)	(27.98)
Total appropriations	**(1,314.58)**	**(1,323.35)**
Retained earnings	**9,394.54**	**8,196.85**
Total	**17,915.43**	**15,735.85**

Nature and purpose of reserves

Securities premium account: The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

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

31 OTHER EQUITY (Contd.)

Capital redemption reserve: The Company has recognised Capital redemption reserve on redemption of non-convertible redeemable preference shares from its retained earnings. The amount in Capital redemption reserve is equal to nominal amount of the non-convertible redeemable preference shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date.

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 345.26 crores (March 31, 2019: Rs. 251.47 crores). The Company subsequent to the year end has deposited a sum of Rs. 15.84 crores (March 31, 2019: Rs. 70.00 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the Retained earnings.

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

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

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

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

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

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

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

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

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

(Rs. in crores)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
32 INTEREST INCOME						
Interest on loans	15,690.72	-	**15,690.72**	14,945.10	-	**14,945.10**
Interest income from investments	214.53	1.00	**215.53**	182.27	0.98	**183.25**
Interest on deposits with banks						
- Margin money deposit	208.75	-	**208.75**	159.78	-	**159.78**
- Deposits with banks	66.95	-	**66.95**	4.08	-	**4.08**
Other interest income						
- delayed payments by customers	60.52	-	**60.52**	33.88	-	**33.88**
- unwinding of security deposit	3.05	-	**3.05**	0.46	-	**0.46**
- direct assignment	21.94	-	**21.94**	9.14	-	**9.14**
Total	**16,266.46**	**1.00**	**16,267.46**	**15,334.71**	**0.98**	**15,335.69**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
33 FEE AND COMMISSION INCOME		
Income from loan related services	73.53	55.30
Income from commission services- life insurance	20.39	23.67
Income from commission services- general insurance	63.58	40.80
Income from commission services- others	37.47	6.83
Total	**194.97**	**126.60**

Revenue from contracts with customers

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

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Type of services or service		
Fee and commission income	194.97	126.60
Total revenue from contract with customers	**194.97**	**126.60**
Geographical markets		
India	194.97	126.60
Outside India	-	-
Total revenue from contract with customers	**194.97**	**126.60**
Timing of revenue recognition		
Services transferred at a point in time	194.97	126.60
Services transferred over time	-	-
Total revenue from contracts with customers	**194.97**	**126.60**

33 FEE AND COMMISSION INCOME (Contd.)

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	10.50	8.48
Contract assets	-	-

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

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
34 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES		
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others:		
- Investment in shares, venture capital fund and mutual funds	(0.87)	0.52
- Derivatives	(5.88)	(3.10)
Total Net gain/(loss) on fair value changes (C)	**(6.75)**	**(2.58)**
Fair value changes:		
- Realised	-	-
- Unrealised	(6.75)	(2.58)
Total Net gain/(loss) on fair value changes(D)	**(6.75)**	**(2.58)**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
35 OTHER OPERATING INCOME		
Bad debt recovery	80.73	24.17
Short term capital gain on sale of mutual funds and certificate of deposits	18.79	37.48
Total	**99.52**	**61.65**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
36 OTHER INCOME		
Interest on income tax refund	5.80	6.66
Profit on sale of assets	1.17	-
Miscellaneous income	13.30	20.85
Total	**20.27**	**27.51**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
37 FINANCE COSTS		
On financial liabilities measured at amortised cost		
Interest on deposits	973.80	841.66
Interest on borrowings (other than debt securities)		
- Loans from banks	1,251.44	1,392.08
- Loans from institutions and others	217.98	298.06
- External commercial borrowings	461.83	151.45
- Interest paid on securitisation	1,743.54	1,320.14
Interest on debt securities		
- Debentures	1,950.39	2,257.32
- Senior secured notes	214.37	227.55
- External commercial bond	656.82	27.91
- Commercial paper	104.50	445.20
Interest on subordinated liabilities	661.86	549.89
Other interest expense		
- Interest on lease liability	33.73	-
Total	**8,270.26**	**7,511.26**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
38 FEE AND COMMISSION EXPENSE		
Brokerage	9.23	14.78
Professional charges-resource mobilisation	29.29	24.25
Processing charges on loans	1.89	2.20
Professional charges on securitisation	16.47	20.96
Total	**56.88**	**62.19**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
39 IMPAIRMENT OF FINANCIAL INSTRUMENTS		
On financial instruments measured at amortised cost		
Loans (refer note 62)	2,748.87	2,450.51
Investments	42.22	(0.06)
Others		
Undrawn commitments	4.39	6.71
Other assets	(0.60)	(74.90)
Total	**2,794.88**	**2,382.26**

39 IMPAIRMENT OF FINANCIAL INSTRUMENTS (Contd.)

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

Year ended March 31, 2020

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
39 IMPAIRMENT OF FINANCIAL INSTRUMENTS					
Loans and advances to customers	1,088.82	(20.86)	1,680.91	-	**2,748.87**
Debt instruments measured at amortised cost	23.78	18.44	-	-	**42.22**
Undrawn commitments	4.39	-	-	-	**4.39**
Others	-	-	-	(0.60)	**(0.60)**
Total impairment loss	**1,116.99**	**(2.42)**	**1,680.91**	**(0.60)**	**2,794.88**

Year ended March 31, 2019

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
Loans and advances to customers	478.90	381.55	1,590.06	-	**2,450.51**
Debt instruments measured at amortised cost	-	-	-	(0.06)	**(0.06)**
Undrawn commitments	6.71	-	-	-	**6.71**
Others	-	-	-	(74.90)	**(74.90)**
Total impairment loss	**485.61**	**381.55**	**1,590.06**	**(74.96)**	**2,382.26**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
40 EMPLOYEE BENEFITS EXPENSES		
Salaries, other allowance and bonus	926.57	814.24
Contribution to provident and other funds	53.72	46.37
Staff welfare expenses	24.99	17.88
Gratuity expenses	5.54	4.57
Total	**1,010.82**	**883.06**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
41 DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Depreciation of tangible assets	48.62	41.94
Amortisation of intangible assets	1.26	1.03
Lease depreciation	91.17	-
Total	**141.05**	**42.97**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
42 OTHER EXPENSES		
Rent	9.88	105.50
Rates and taxes	2.56	11.55
Energy costs	21.08	18.29
Repairs and maintenance	56.76	45.79
Communication costs	49.17	49.05
Printing and stationery	19.33	13.62
Advertisement and publicity	14.27	15.70
Director's fees, allowances, and expenses	0.66	0.65
Auditor fees and expenses		
As Auditor:		
- Audit fees	0.88	0.84
- Tax audit fees	0.09	0.09
- Out of pocket	0.04	0.06
In any other manner:		
- Certification	0.08	0.04
Legal and professional charges	58.18	45.82
Other expenditure:		
Travelling and conveyance	123.22	127.54
Business promotion	47.71	43.72
Outsourcing expenses	75.99	42.17
Royalty	180.75	169.45
Insurance	1.38	2.36
Bank charges	43.18	52.54
Loss on sale of investments	0.12	-
Loss on sale of fixed assets (net)	-	0.51
Service charges	45.67	43.49
CSR expenses [Refer note 60]	53.16	40.06
Miscellaneous expenses	59.16	65.23
Total	**863.32**	**894.07**

43 INCOME TAX

The components of income tax expense for the year ended March 31, 2020 and March 31, 2019 and are:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	921.20	1,346.37
Adjustment in respect of current income tax of prior years	0.84	(109.82)
Deferred tax relating to origination and reversal of temporary differences	14.79	(22.27)
Total tax charge	**936.83**	**1,214.28**
Current tax	922.04	1,236.55
Deferred tax	14.79	(22.27)

43 INCOME TAX (Contd.)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. During the year, the Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company had recognised and remeasured Provision for Income Tax and Deferred Tax based on the rate prescribed in the said section. Accordingly, total benefit derived by the Company on adoption of new tax rate is Rs. 357.44 crores in current tax and reversal of Rs. 21.18 crores in deferred tax asset for the year ended March 31, 2020.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2020 and March 31, 2019 is, as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	3,438.67	3,778.27
At India's statutory income tax rate of 25.168% (2019: 34.944%)	865.44	1,320.28
Adjustment in respect of current income tax of prior years	0.84	(109.82)
Income subject to tax at special rate		
Long term capital gain on sale of property	(0.07)	-
Income not subject to tax		
Others	-	(11.51)
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	13.38	0.55
Deduction under chapter VIA of the Income Tax Act, 1961 (section 80G)	-	6.37
Reversal of deferred tax no longer required	26.25	-
Reversal of deferred tax asset on account of adoption of new Income Tax rate	21.18	-
Others	9.81	8.41
Income tax expense reported in the statement of profit and loss	**936.83**	**1,214.28**

The effective income tax rate for March 31, 2020 is 27.24% (March 31, 2019: 32.14%).

Deferred tax

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

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	19.45	-	(2.65)	-
Provision for post retirement benefits	9.42	-	(0.56)	(1.59)
Expenses allowable for tax purposes when paid	25.45	-	-	-
Reversal of deferred tax no longer required	-	-	26.25	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	14.21	(13.10)	-
Impairment allowance for undrawn commitments	10.05	-	(7.09)	-
Fair valuation of derivative financial instrument	-	1.48	-	-
Right-of-use assets	8.80	-	(4.78)	-
Reversal of deferred tax asset on account of adoption of new Income Tax rate	-	-	21.18	-
Other temporary differences	5.02	-	(4.45)	-
Total	**78.19**	**15.69**	**14.79**	**(1.59)**

43 INCOME TAX (Contd.)

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	23.52	-	(3.05)	-
Provision for post retirement benefits	10.05	-	(0.75)	(1.24)
Expenses allowable for tax purposes when paid	35.34	-	1.25	-
EIR impact on debt instrument in the nature of advances measured at amortised cost	36.44	-	24.68	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	37.91	(37.49)	-
Impairment allowance for undrawn commitments	4.11	-	(2.35)	-
Fair valuation of derivative financial instrument	-	2.06	(1.08)	-
Other temporary differences	6.23	0.02	(3.48)	-
Total	**115.69**	**39.99**	**(22.27)**	**(1.24)**

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

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

Tax losses

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Unused tax losses for which no deferred tax asset has been recognised	-	-

44 EARNINGS PER SHARE

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

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit after tax as per Statement of Profit and Loss (Rs. in crores) (A)	2,512.27	2,575.68
Weighted average number of equity shares for calculating basic EPS (in crores) (B)	22.69	22.69
Weighted average number of equity shares for calculating diluted EPS (in crores) (C)	22.69	22.69
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (B)	110.73	113.52
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (C)	110.73	113.52

45 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

Associate of the Company is:

Name of the associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2020	% equity interest March 31, 2019
Shriram Automall India Limited (SAMIL)	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in associate under equity method and not adjusted to fair value at the end of each reporting period.

The Company's share in the associate is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) share in profit or loss from continuing operations.	10.43	11.69
(b) share in post-tax profit or loss from discontinued operations.	-	-
(c) share in other comprehensive income.	0.25	(0.10)
(d) share in total comprehensive income.	10.68	11.59

46 RETIREMENT BENEFIT PLAN

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 41.06 crores (March 31, 2019: Rs. 31.96 crores) for Provident fund contributions and Rs. 12.54 crores (March 31, 2019: Rs. 14.30 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2020, 82 % funds are invested in government securities and balance 18% funds are invested in other equity and debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

46 RETIREMENT BENEFIT PLAN (Contd.)

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

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

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	5.45	4.72
Interest expense	3.78	3.22
Interest Income	(3.68)	(3.37)
Past service cost	-	-
Components of defined benefit costs recognised in profit or loss (A)	**5.55**	**4.57**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(1.18)	0.74
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	4.80	0.56
Experience adjustments	2.71	2.26
Components of defined benefit costs recognised in other comprehensive income (B)	**6.33**	**3.56**
Total (A+B)	**11.88**	**8.13**

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

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	49.43	41.30
Expenses recognised in statement of profit and loss :		
Current service cost	5.45	4.72
Interest expense/(income)	3.78	3.22
Recognised in other comprehensive income remeasurement gains/(losses)	7.51	2.83
Past service cost	-	-
Liability transferred in/acquisitions	-	0.09
Benefits paid from the fund	(2.92)	(2.73)
Present value of defined obligation at the end of the year	**63.25**	**49.43**

Change in the Fair value of plan assets :

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year	48.15	43.23
Interest income	3.68	3.37
Contributions by the employer	9.79	5.02
Benefits paid from the fund	(2.92)	(2.73)
Return on plan assets excluding interest income	1.18	(0.74)
Fair value of plan assets at the end of the year	**59.88**	**48.15**

46 RETIREMENT BENEFIT PLAN (Contd.)

Calculation of benefit liability/(asset) :

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	63.25	49.43
Fair value of plan assets	59.88	48.15
Benefit liability	**3.37**	**1.28**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Expected return on plan assets	6.56%	7.64%
Rate of discounting	6.56%	7.64%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment funds	59.88	48.15
Total	**59.88**	**48.15**

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2020	Impact on defined benefit obligation March 31, 2019
Discount rate	1% increase	(4.47)	(3.32)
	1% decrease	5.14	3.81
Future salary increases	1% increase	5.10	3.81
	1% decrease	(4.51)	(3.37)
Attrition rate	1% increase	0.49	0.72
	1% decrease	(0.57)	(0.82)

46 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Expected payment for future years	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	6.35	4.99
Between 2 and 5 years	21.74	18.42
Between 5 and 10 years	25.62	21.52
Beyond 10 years	64.26	56.02
Total expected payments	**117.97**	**100.95**

The Company expects to contribute Rs. 10.09 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 9 years (March 31, 2019: 9 years)

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

c) Compensated Absences

The principal assumptions used in determining obligations for the Company are shown below:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Rate of discounting	6.56%	7.64%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	20.00%	20.00%
Service 5 years and above	7.50%	7.50%
Mortality	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expenses recognised in statement of profit and loss	17.94	14.52

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2020.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

(Rs. in crores)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,088.99	-	**3,088.99**	1,029.14	-	**1,029.14**
Bank balance other than above	4,204.15	21.78	**4,225.93**	2,233.05	719.28	**2,952.33**
Derivative financial instruments	758.73	-	**758.73**	21.72	-	**21.72**
Receivables						
(I) Trade receivables	10.50	-	**10.50**	8.48	-	**8.48**
(II) Other receivables	5.64	-	**5.64**	19.94	-	**19.94**
Loans	28,287.31	73,944.32	**102,231.63**	36,655.28	60,096.21	**96,751.49**
Investments	361.47	2,574.16	**2,935.63**	2,011.10	2,114.44	**4,125.54**
Other financial assets	-	45.15	**45.15**	-	36.88	**36.88**
Non-financial Assets						
Current tax asset	-	249.10	**249.10**	-	106.58	**106.58**
Deferred tax assets (net)	-	62.50	**62.50**	-	75.70	**75.70**
Investment property	-	2.03	**2.03**	-	2.06	**2.06**
Property, plant and equipment	-	149.88	**149.88**	-	143.46	**143.46**
Right-of-use assets	-	327.84	**327.84**	-	-	-
Other intangible assets	-	2.67	**2.67**	-	1.97	**1.97**
Other non-financial assets	44.10	125.47	**169.57**	62.00	81.66	**143.66**
Total assets	**36,760.89**	**77,504.90**	**114,265.79**	**42,040.71**	**63,378.24**	**105,418.95**
Liabilities						
Financial Liabilities						
Derivative financial liabilities	-	-	-	83.42	-	**83.42**
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.40	-	**0.40**	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	143.44	-	**143.44**	133.46	-	**133.46**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.13	-	**1.13**	2.72	-	**2.72**
Debt securities	6,484.83	27,782.13	**34,266.96**	13,044.83	21,136.93	**34,181.76**
Borrowings (other than debt securities)	16,550.38	25,924.22	**42,474.60**	17,820.26	19,369.04	**37,189.30**
Deposits	2,857.28	9,102.84	**11,960.12**	2,479.79	7,861.67	**10,341.46**
Subordinated liabilities	1,114.07	4,556.00	**5,670.07**	670.20	5,531.68	**6,201.88**
Other financial liabilities	787.82	124.50	**912.32**	1,001.43	15.05	**1,016.48**
Lease liabilities	80.97	281.84	**362.81**	-	-	-
Non-financial Liabilities						
Current tax liabilities (net)	102.02	-	**102.02**	102.97	-	**102.97**
Provisions	112.27	34.06	**146.33**	107.57	25.69	**133.26**
Other non-financial liabilities	83.28	-	**83.28**	-	69.49	**69.49**
Total Liabilities	**28,317.89**	**67,805.59**	**96,123.48**	**35,446.65**	**54,009.55**	**89,456.20**
Net	**8,443.00**	**9,699.31**	**18,142.31**	**6,594.06**	**9,368.69**	**15,962.75**

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2019	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2020
Debt securities	34,181.76	(831.77)	-	-	916.97	34,266.96
Borrowings (other than debt securities)	37,189.30	5,139.66	-	-	145.64	42,474.60
Deposits	10,341.46	1,619.31	-	-	(0.65)	11,960.12
Subordinated liabilities	6,201.88	(573.50)	-	-	41.69	5,670.07
Lease liabilities	-	110.46	-	-	252.35	362.81
Total liabilities from financing activities	**87,914.40**	**5,464.16**	**-**	**-**	**1,356.00**	**94,734.56**

(Rs. in crores)

Particulars	As at March 31, 2018	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2019
Debt securities	32,432.62	1,984.43	-	-	(235.29)	34,181.76
Borrowings (other than debt securities)	36,108.54	402.56	-	-	678.20	37,189.30
Deposits	8,597.75	1,733.21	-	-	10.50	10,341.46
Subordinated liabilities	4,991.94	1,431.63	-	-	(221.69)	6,201.88
Total liabilities from financing activities	**82,130.85**	**5,551.83**	**-**	**-**	**231.72**	**87,914.40**

49 CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

(A) Contingent liabilities

(Rs. in crores)

Particulars		As at March 31, 2020	As at March 31, 2019
a.	In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	133.80	78.79
b.	VAT demand where the Company and its associate have filed appeal before various appellates	117.54	125.16
c.	Service tax demands where the Company and its associate have filed appeal before various authorities	326.21	198.53
d.	Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	-
Total		**582.55**	**402.48**

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company and its associate to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company and its associate do not expect any reimbursement in respect of the above contingent liabilities. The Company and its associate are of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the financial position and results of operations of the Company and its associate.

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

49 CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS (Contd.)

(B) Commitments not provided for

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	4.15	5.78
b. Commitments related to loans sanctioned but undrawn	311.87	471.92

(C) Lease arrangements

As a lessee

Lease :

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

(Rs. in crores)

Particulars	As at March 31, 2019
Within one year	30.95
After one year but not more than five years	95.17
More than five years	29.99
Total	**156.11**

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to the lease contracts existing on April 01, 2019 using the modified retrospective approach, recognising right-of-use assets and adjusted lease liability. As per Ind AS 116, lease commitments are recognised as lease liability and need not be disclosed under contingent liabilities and commitments.

50 RELATED PARTY DISCLOSURES

	Relationship	Name of the party
I	Promoter	: Shriram Capital Limited
II	Promoter group	: Shriram Ownership Trust Shriram Financial Ventures (Chennai) Private Limited Shriram Value Services Limited Novac Technology Solutions (P) Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Advisors Limited Bharath Investments Pte. Ltd., Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited (from May 20, 2019)
III	Associates	: Shriram Automall India Limited (SAMIL) Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited (w.e.f. January 08, 2020)
IV	Key Management Personnel	: Mr. Umesh Revankar, Managing Director & CEO Mr. Amitabh Chaudhry (upto October 25, 2018) Mr. S. Lakshminarayanan Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Sumatiprasad M Bafna (upto March 31, 2019) Mr. Pradeep Kumar Panja (from October 25, 2018) Mr. D. V. Ravi Mr. Puneet Bhatia Mr. Ignatius Michael Viljoen (from May 14, 2019) Mr. Gerrit Lodewyk Van Heerde (upto May 08, 2019)
V	Relatives of Key Management Personnel	: Mrs. Suchita U. Revankar (spouse of Managing Director & CEO) Mr. Shreyas U. Revankar (son of Managing Director & CEO) Mrs. Geeta G. Revankar (mother of Managing Director & CEO) Mr. Anil G. Revankar (brother of Managing Director & CEO) Mr. Shirish U. Revankar (son of Managing Director & CEO)
VI	Employees' benefit plan	Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

50 RELATED PARTY DISCLOSURES (Contd.)

Summary of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Payments/Expenses														
Payment to key management personnel	-	-	-	-	-	-	-	-	1.76	1.26	-	-	**1.76**	**1.26**
Royalty	-	-	169.69	155.46	-	-	-	-	-	-	-	-	**169.69**	**155.46**
Service charges	41.90	39.90	-	-	-	-	-	-	-	-	-	-	**41.90**	**39.90**
I.T & BPO charges	-	-	68.88	38.00	-	-	-	-	-	-	-	-	**68.88**	**38.00**
Rent	0.78	-	0.02	0.02	7.04	4.44	-	-	-	-	-	-	**7.84**	**4.46**
Business mobilisation expenses	-	-	-	-	0.04	1.47	-	-	-	-	-	-	**0.04**	**1.47**
Other administrative expenses	0.04	-	-	-	11.11	0.82	-	-	-	-	-	-	**11.15**	**0.82**
Insurance premium	-	-	8.91	7.60	-	-	-	-	-	-	-	-	**8.91**	**7.60**
Commission	-	-	34.97	41.74	-	-	-	-	-	-	-	-	**34.97**	**41.74**
Sales promotion	-	-	1.92	1.61	-	-	-	-	-	-	-	-	**1.92**	**1.61**
Valuation charges	-	-	-	-	0.09	-	-	-	-	-	-	-	**0.09**	-
Interest	0.26	0.38	53.74	52.66	2.97	2.36	-	-	0.33	0.17	0.01	0.01	**57.32**	**55.59**
Equity dividend	71.17	65.09	-	-	-	-	-	-	-	-	0.00	0.00	**71.17**	**65.09**
Non-convertible debenture matured	-	-	80.11	1.60	-	-	-	-	-	-	-	0.01	**80.11**	**1.61**
Fixed deposit matured	-	-	14.00	-	-	-	-	-	-	-	0.01	0.03	**14.01**	**0.03**
Subordinated debt matured	1.72	0.54	45.00	7.07	1.39	1.15	-	-	-	-	-	0.01	**48.11**	**8.77**
Unsecured loan and advances	-	-	-	-	-	7.86	-	-	-	-	-	-	**-**	**7.86**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.79	5.01	-	-	-	-	**9.79**	**5.01**
Inter corporate deposit repaid	74.00	-	-	-	51.50	28.35	-	-	-	-	-	-	**125.50**	**28.35**
Receipts/Income														
Common sharing expenses	0.01	0.01	1.17	1.16	0.65	0.52	-	-	-	-	-	-	**1.83**	**1.70**
Rent & electricity	0.15	0.18	-	-	4.64	4.14	-	-	-	-	-	-	**4.79**	**4.32**
Other administrative expenses	-	-	-	-	0.14	2.55	-	-	-	-	-	-	**0.14**	**2.55**
Commission	-	-	79.11	61.08	-	-	-	-	-	-	-	-	**79.11**	**61.08**
Sale of Trade mark - Shriram Automall India Limited	-	-	-	-	-	0.06	-	-	-	-	-	-	**-**	**0.06**
Subordinated debt	-	-	-	25.00	-	-	-	-	-	-	-	-	**-**	**25.00**
Non-convertible debenture	-	-	2.86	11.74	-	-	-	-	0.10	2.00	-	-	**2.96**	**13.74**
Fixed deposit	-	-	1.50	14.00	-	-	-	-	-	0.50	0.05	0.03	**1.55**	**14.53**
Unsecured loan and advances repaid	-	-	-	-	14.44	7.41	-	-	-	-	-	-	**14.44**	**7.41**
Inter corporate deposit received	74.00	-	-	-	63.40	25.95	-	-	-	-	-	-	**137.40**	**25.95**
Balance outstanding at the year end														
Share capital	59.55	59.17	-	-	-	-	-	-	-	-	0.00	0.00	**59.56**	**59.17**
Investment in equity shares	-	-	-	-	150.52	139.84	-	-	-	-	-	-	**150.52**	**139.84**
Unsecured loan and advances receivable	-	-	-	-	-	0.58	-	-	-	-	-	-	**-**	**0.58**
Unsecured loan and advances payable	-	-	-	-	0.41	-	-	-	-	-	-	-	**0.41**	-
Rent receivable	-	0.01	-	0.02	-	-	-	-	-	-	-	-	**-**	**0.03**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Commission receivable	-	-	9.56	7.65	-	-	-	-	-	-	-	-	**9.56**	**7.65**
Commission payable	-	-	-	2.62	-	-	-	-	-	-	-	-	**-**	**2.62**
Prepaid for insurance premium	-	-	2.84	2.15	-	-	-	-	-	-	-	-	**2.84**	**2.15**
Outstanding expenses	10.43	10.78	44.13	43.01	-	-	-	-	-	-	-	-	**54.55**	**53.78**
Fixed deposit	-	-	1.55	14.99	-	-	-	-	1.45	1.34	0.13	0.08	**3.13**	**16.41**
Subordinated debt	0.41	3.14	422.19	470.39	2.76	2.79	-	-	-	-	-	-	**425.37**	**476.32**
Non-convertible debenture	-	-	15.12	95.01	22.77	-	-	-	2.61	2.30	-	-	**40.50**	**97.30**
Expenses recoverable	-	0.00	-	0.21	-	-	-	-	-	-	-	-	**-**	**0.21**
Inter corporate deposit	-	-	-	-	39.42	26.38	-	-	-	-	-	-	**39.42**	**26.38**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Payments/Expenses														
Employee benefits for key management personnel														
- Short term benefits	-	-	-	-	-	-	-	-	0.97	0.53	-	-	**0.97**	**0.53**
- Post employment benefits	-	-	-	-	-	-	-	-	0.19	0.14	-	-	**0.19**	**0.14**
Commission & sitting fee paid to directors														
- Mr. Amitabh Chaudhry	-	-	-	-	-	-	-	-	0.04	0.10	-	-	**0.04**	**0.10**
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	0.12	0.12	-	-	**0.12**	**0.12**
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.14	0.12	-	-	**0.14**	**0.12**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	0.12	-	-	**0.10**	**0.12**
- Mr. Sumatiprasad M. Bafna	-	-	-	-	-	-	-	-	0.09	0.11	-	-	**0.09**	**0.11**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.11	0.02	-	-	**0.11**	**0.02**
License Fees														
- Shriram Ownership Trust	-	-	82.81	155.46	-	-	-	-	-	-	-	-	**82.81**	**155.46**
- Shriram Value Services Limited	-	-	86.87	-	-	-	-	-	-	-	-	-	**86.87**	**-**
Service charges to Shriram Capital Limited	41.90	39.90	-	-	-	-	-	-	-	-	-	-	**41.90**	**39.90**
Voice Call services														
- Shriram Value Services Limited	-	-	21.26	38.00	-	-	-	-	-	-	-	-	**21.26**	**38.00**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Novac Technology Solutions (P) Ltd.	-	-	7.43	-	-	-	-	-	-	-	-	-	**7.43**	-
I.T & BPO charges to Novac Technology Solutions (P) Ltd.	-	-	40.18	-	-	-	-	-	-	-	-	-	**40.18**	-
Rent														
- Shriram Automall India Limited	-	-	-	-	7.04	4.44	-	-	-	-	-	-	**7.04**	**4.44**
- Shriram Capital Limited	0.78	-	-	-	-	-	-	-	-	-	-	-	**0.78**	-
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Business mobilisation expenses - Shriram Automall India Limited	-	-	-	-	0.04	1.47	-	-	-	-	-	-	**0.04**	**1.47**
Other administrative expenses														
- Shriram Capital Limited	0.04	-	-	-	-	-	-	-	-	-	-	-	**0.04**	-
- Shriram Automall India Limited	-	-	-	-	11.11	0.82	-	-	-	-	-	-	**11.11**	**0.82**
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	5.63	5.30	-	-	-	-	-	-	-	-	**5.63**	**5.30**
- Shriram General Insurance Company Limited	-	-	3.28	2.30	-	-	-	-	-	-	-	-	**3.28**	**2.30**
Commission														
- Shriram Fortune Solutions Limited	-	-	26.03	33.92	-	-	-	-	-	-	-	-	**26.03**	**33.92**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	3.31	2.29	-	-	-	-	-	-	-	-	**3.31**	**2.29**
- Shriram Insight Share Brokers Limited	-	-	5.63	5.53	-	-	-	-	-	-	-	-	**5.63**	**5.53**
Sales promotion														
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	0.75	0.45	-	-	-	-	-	-	-	-	**0.75**	**0.45**
- Shriram Insight Share Brokers Limited	-	-	1.17	1.16	-	-	-	-	-	-	-	-	**1.17**	**1.16**
Interest on Inter corporate Deposit														
- Shriram Automall India Limited	-	-	-	-	2.34	1.99	-	-	-	-	-	-	**2.34**	**1.99**
- Shriram Capital Limited	0.17	-	-	-	-	-	-	-	-	-	-	-	**0.17**	-
Valuation charges paid to - Adroit Inspection Service Private Limited	-	-	-	-	0.09	-	-	-	-	-	-	-	**0.09**	-
Interest on fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	0.11	0.09	-	-	**0.11**	**0.09**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.01	0.01	**0.01**	**0.01**
- Shriram Fortune Solutions Limited	-	-	0.38	0.99	-	-	-	-	-	-	-	-	**0.38**	**0.99**
- Shriram Asset management Company Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	-

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Interest on subordinated debt														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.00	-	**0.00**
- Shriram Automall India Limited	-	-	-	-	0.44	0.37	-	-	-	-	-	-	**0.44**	**0.37**
- Shriram Capital Limited	0.09	0.38	-	-	-	-	-	-	-	-	-	-	**0.09**	**0.38**
- Shriram Asset Management Company Limited	-	-	-	0.70	-	-	-	-	-	-	-	-	-	**0.70**
- Shriram Life Insurance Company Limited	-	-	9.53	7.69	-	-	-	-	-	-	-	-	**9.53**	**7.69**
- Shriram General Insurance Company Limited	-	-	37.17	34.76	-	-	-	-	-	-	-	-	**37.17**	**34.76**
Interest on non-convertible debenture														
- Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	0.20	0.08	-	-	**0.20**	**0.08**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.01	0.00	-	-	**0.01**	**0.00**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.02	0.00	-	-	**0.02**	**0.00**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.00	-	**0.00**
- Shriram Life Insurance Company Limited	-	-	4.18	5.85	-	-	-	-	-	-	-	-	**4.18**	**5.85**
- Shriram General Insurance Company Limited	-	-	1.32	2.21	-	-	-	-	-	-	-	-	**1.32**	**2.21**
- Shriram Asset Management Company Limited	-	-	1.10	0.46	-	-	-	-	-	-	-	-	**1.10**	**0.46**
- Shriram Insight Share Brokers Limited	-	-	0.00	0.00	-	-	-	-	-	-	-	-	**0.00**	**0.00**
- Shriram Automall India Limited	-	-	-	-	0.19	-	-	-	-	-	-	-	**0.19**	-
Equity dividend														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	71.17	65.09	-	-	-	-	-	-	-	-	-	-	**71.17**	**65.09**
Non-convertible debenture matured														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.01	-	**0.01**
- Shriram Life Insurance Company Limited	-	-	58.90	1.60	-	-	-	-	-	-	-	-	**58.90**	**1.60**
- Shriram General Insurance Company Limited	-	-	21.10	-	-	-	-	-	-	-	-	-	**21.10**	-
- Shriram Insight Share Brokers Limited	-	-	0.11	-	-	-	-	-	-	-	-	-	**0.11**	-
Fixed deposit matured														

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.01	0.03	**0.01**	**0.03**
- Shriram Fortune Solutions Limited	-	-	14.00	-	-	-	-	-	-	-	-	-	**14.00**	-
Subordinated debt matured														
-Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.01	-	**0.01**
- Shriram Capital Limited	1.72	0.54	-	-	-	-	-	-	-	-	-	-	**1.72**	**0.54**
- Shriram Automall India Limited	-	-	-	-	1.39	1.15	-	-	-	-	-	-	**1.39**	**1.15**
- Shriram Asset Management Company Limited	-	-	-	7.07	-	-	-	-	-	-	-	-	-	**7.07**
- Shriram General Insurance Company Limited	-	-	45.00	-	-	-	-	-	-	-	-	-	**45.00**	-
Unsecured loan and advances received - Shriram Automall India Limited	-	-	-	-	-	7.86	-	-	-	-	-	-	-	**7.86**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.79	5.01	-	-	-	-	**9.79**	**5.01**
Inter corporate deposit repaid														
- Shriram Automall India Limited	-	-	-	-	51.50	28.35	-	-	-	-	-	-	**51.50**	**28.35**
- Shriram Capital Limited	74.00	-	-	-	-	-	-	-	-	-	-	-	**74.00**	-
TOTAL	**189.87**	**105.91**	**477.24**	**305.76**	**74.15**	**46.46**	**9.79**	**5.01**	**2.10**	**1.43**	**0.02**	**0.06**	**753.17**	**464.63**
Receipts/Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.58	0.52	-	-	-	-	-	-	**0.58**	**0.52**
- Shriram Capital Limited	0.01	0.01	-	-	-	-	-	-	-	-	-	-	**0.01**	**0.01**
- Shriram Asset Management Company Limited	-	-	0.06	0.06	-	-	-	-	-	-	-	-	**0.06**	**0.06**
- Shriram Insight Share Brokers Limited	-	-	0.03	0.03	-	-	-	-	-	-	-	-	**0.03**	**0.03**
- Shriram Fortune Solutions Limited	-	-	1.08	1.07	-	-	-	-	-	-	-	-	**1.08**	**1.07**
- Adroit Inspection Service Private Limited	-	-	-	-	0.07	0.00	-	-	-	-	-	-	**0.07**	**0.00**
Rent & electricity														
- Shriram Capital Limited	0.15	0.18	-	-	-	-	-	-	-	-	-	-	**0.15**	**0.18**
- Shriram Automall India Limited	-	-	-	-	4.64	4.14	-	-	-	-	-	-	**4.64**	**4.14**
Other administrative expenses														
- Shriram Automall India Limited	-	-	-	-	0.14	2.55	-	-	-	-	-	-	**0.14**	**2.55**
Commission														

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Shriram General Insurance Company Limited	-	-	58.71	37.41	-	-	-	-	-	-	-	-	**58.71**	**37.41**
- Shriram Life Insurance Company Limited	-	-	20.39	23.68	-	-	-	-	-	-	-	-	**20.39**	**23.68**
Sale of Trade mark - Shriram Automall India Limited	-	-	-	-	-	0.06	-	-	-	-	-	-	-	**0.06**
Subordinated debt														
- Shriram Life Insurance Company Limited	-	-	-	25.00	-	-	-	-	-	-	-	-	-	**25.00**
Non-convertible debenture														
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	-	2.00	-	-	-	**2.00**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	-
- Shriram Asset Management Company Limited	-	-	2.16	11.73	-	-	-	-	-	-	-	-	**2.16**	**11.73**
- Shriram Insight Share Brokers Limited	-	-	0.70	0.00	-	-	-	-	-	-	-	-	**0.70**	**0.00**
Fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	-	0.50	-	-	-	**0.50**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.05	0.03	**0.05**	**0.03**
- Shriram Fortune Solutions Limited	-	-	-	14.00	-	-	-	-	-	-	-	-	-	**14.00**
- Shriram Asset Management Company Limited	-	-	1.50	-	-	-	-	-	-	-	-	-	**1.50**	-
Unsecured loan and advances repaid by														
- Shriram Automall India Limited	-	-	-	-	14.44	7.41	-	-	-	-	-	-	**14.44**	**7.41**
Inter corporate deposit														
- Shriram Automall India Limited	-	-	-	-	63.40	25.95	-	-	-	-	-	-	**63.40**	**25.95**
- Shriram Capital Limited	74.00	-	-	-	-	-	-	-	-	-	-	-	**74.00**	-
TOTAL	**74.16**	**0.19**	**84.63**	**112.98**	**83.28**	**40.63**	**-**	**-**	**0.10**	**2.50**	**0.05**	**0.03**	**242.22**	**156.34**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

50 RELATED PARTY DISCLOSURES (Contd.)

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance outstanding at the year end														
Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	59.50	59.17	-	-	-	-	-	-	-	-	-	-	**59.50**	**59.17**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	-
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	150.52	139.84	-	-	-	-	-	-	**150.52**	**139.84**
Unsecured loan and advances receivable														
- Shriram Automall India Limited	-	-	-	-	-	0.58	-	-	-	-	-	-	-	**0.58**
Unsecured loan and advances payable														
- Shriram Automall India Limited	-	-	-	-	0.41	-	-	-	-	-	-	-	**0.41**	-
Rent receivable														
- Shriram Capital Limited	-	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**
- Shriram Asset Management Company Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	-	**0.02**
Commission receivable														
- Shriram General Insurance Company Limited	-	-	7.65	5.26	-	-	-	-	-	-	-	-	**7.65**	**5.26**
- Shriram Life Insurance Company Limited	-	-	1.91	2.40	-	-	-	-	-	-	-	-	**1.91**	**2.40**
Commission payable														
- Shriram Fortune Solutions Limited	-	-	-	2.42	-	-	-	-	-	-	-	-	-	**2.42**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**
- Shriram Insight Share Brokers Limited	-	-	-	0.16	-	-	-	-	-	-	-	-	-	**0.16**
Prepaid for insurance premium														
- Shriram General Insurance Company Limited	-	-	1.78	1.13	-	-	-	-	-	-	-	-	**1.78**	**1.13**
- Shriram Life Insurance Company Limited	-	-	1.06	1.01	-	-	-	-	-	-	-	-	**1.06**	**1.01**
Outstanding expenses														
- Shriram Capital Limited	10.43	10.78	-	-	-	-	-	-	-	-	-	-	**10.43**	**10.78**
- Shriram Ownership Trust	-	-	-	41.83	-	-	-	-	-	-	-	-	-	**41.83**
- Shriram Value Services Limited	-	-	40.07	1.18	-	-	-	-	-	-	-	-	**40.07**	**1.18**
- Novac Technology Solutions (P) Limited	-	-	1.80	-	-	-	-	-	-	-	-	-	**1.80**	-
- Shriram Fortune Solutions Limited	-	-	1.27	-	-	-	-	-	-	-	-	-	**1.27**	-

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	0.31	-	-	-	-	-	-	-	-	-	**0.31**	-
- Shriram Insight Share Brokers Limited	-	-	0.65	-	-	-	-	-	-	-	-	-	**0.65**	-
- Shriram Asset Management Company Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	**0.02**	-
Fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	1.45	1.34	-	-	**1.45**	**1.34**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.13	0.08	**0.13**	**0.08**
- Shriram Fortune Solutions Limited	-	-	-	14.99	-	-	-	-	-	-	-	-	-	**14.99**
- Shriram Asset Management Company Limited	-	-	1.55	-	-	-	-	-	-	-	-	-	**1.55**	-
Non-convertible debenture														
- Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	2.27	2.08	-	-	**2.27**	**2.08**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.12	0.11	-	-	**0.12**	**0.11**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.22	0.10	-	-	**0.22**	**0.10**
- Shriram Life Insurance Company Limited	-	-	-	61.14	-	-	-	-	-	-	-	-	-	**61.14**
- Shriram General Insurance Company Limited	-	-	-	21.67	-	-	-	-	-	-	-	-	-	**21.67**
- Shriram Asset Management Company Limited	-	-	14.49	12.19	-	-	-	-	-	-	-	-	**14.49**	**12.19**
- Shriram Insight Share Brokers Limited	-	-	0.63	0.00	-	-	-	-	-	-	-	-	**0.63**	**0.00**
- Shriram Automall India Limited	-	-	-	-	22.77	-	-	-	-	-	-	-	**22.77**	-
Subordinated debt														
- Shriram Automall India Limited	-	-	-	-	2.76	2.79	-	-	-	-	-	-	**2.76**	**2.79**
- Shriram Capital Limited	0.41	3.14	-	-	-	-	-	-	-	-	-	-	**0.41**	**3.14**
- Shriram Life Insurance Company Limited	-	-	103.15	103.14	-	-	-	-	-	-	-	-	**103.15**	**103.14**
- Shriram General Insurance Company Limited	-	-	319.04	367.25	-	-	-	-	-	-	-	-	**319.04**	**367.25**
Expenses recoverable														
- Shriram Capital Limited	-	0.00	-	-	-	-	-	-	-	-	-	-	-	**0.00**
- Shriram Insight Share Brokers Limited	-	-	-	0.00	-	-	-	-	-	-	-	-	-	**0.00**
- Shriram Fortune Solutions Limited	-	-	-	0.20	-	-	-	-	-	-	-	-	-	**0.20**
Inter corporate deposit received from Shriram Automall India Limited	-	-	-	-	39.42	26.38	-	-	-	-	-	-	**39.42**	**26.38**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

51 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. . However, they are under constant review by the Board.

52 FAIR VALUE MEASUREMENT

52.01 Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 6.1 (xiii).

52.02: Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2020

(Rs. in crores)

Assets measured at fair value on a recurring basis	**Level-1**	**Level-2**	**Level-3**	**Total**
Derivative financial instruments				
Forward contracts	-	378.05	-	**378.05**
Currency swaps	-	11.50	-	**11.50**
Interest rate swaps	-	45.77	-	**45.77**
Cross currency interest rate swaps	-	319.50	-	**319.50**
Interest rate caps	-	3.91	-	**3.91**
Total derivative financial instruments	**-**	**758.73**	**-**	**758.73**
Financial assets held for trading				
Mutual funds	-	3.02	-	**3.02**
Equity instruments	-	-	3.36	**3.36**
Venture capital fund	-	1.04	-	**1.04**
Total financial assets held for trading	**-**	**4.06**	**3.36**	**7.42**
Total assets measured at fair value on a recurring basis	**-**	**762.79**	**3.36**	**766.15**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	**-**	**-**	**-**	**-**
Total assets measured at fair value	**-**	**762.79**	**3.36**	**766.15**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2019

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	1.22	-	**1.22**
Currency swaps	-	18.67	-	**18.67**
Interest rate swaps	-	1.83	-	**1.83**
Total derivative financial instruments	**-**	**21.72**	**-**	**21.72**
Financial assets held for trading				
Mutual funds	-	323.82	-	**323.82**
Equity instruments	-	-	3.58	**3.58**
Certificate of deposits	-	1,231.71	-	**1,231.71**
Venture capital fund	-	0.97	-	**0.97**
Total financial assets held for trading	**-**	**1,556.50**	**3.58**	**1,560.08**
Total assets measured at fair value on a recurring basis	**-**	**1,578.22**	**3.58**	**1,581.80**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	**-**	**1,578.22**	**3.58**	**1,581.80**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Currency swaps	-	83.05	-	**83.05**
Interest rate swaps	-	0.37	-	**0.37**
Total derivative financial instruments	**-**	**83.42**	**-**	**83.42**
Total financial liabilities measured at fair value on a recurring basis	**-**	**83.42**	**-**	**83.42**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a non-recurring basis	Level-1	Level-2	Level-3	Total
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	**-**	**83.42**	**-**	**83.42**

52.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of Deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Ltd (FBIL) has developed the FBIL- CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Ltd (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

52.05: Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

52.06: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

52 FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rs. in crores)

Particulars	Equity instruments	
	As at March 31, 2020	As at March 31, 2019
Opening balance	**3.58**	**0.86**
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into level 3	-	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	**(0.22)**	**2.72**
Closing balance	**3.36**	**3.58**

52.07: Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets As at March 31, 2020	Level 3 assets As at March 31, 2019		
Equity instruments	3.36	3.58	Based on the discounted cashflow	Based on the discounted cashflow

52.08: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	3.51	3.18	3.74	3.38

52 FAIR VALUE MEASUREMENT (Contd.)

52.09: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2020	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	1,864.78	1,864.78	-	-	**1,864.78**
Bank balance other than cash and cash equivalents	5,450.14	-	5,395.64	-	**5,395.64**
Trade receivables	10.50	-	-	10.50	**10.50**
Other receivables	5.64	-	-	5.64	**5.64**
Loans	108,501.71	-	-	103,070.32	**103,070.32**
Investments at amortised cost	2,819.92	1,912.92	-	979.04	**2,891.96**
Other investments	150.52	-	-	150.52	**150.52**
Other financial assets	45.15	-	-	40.20	**40.20**
Total financial assets	**118,848.36**	**3,777.70**	**5,395.64**	**104,256.21**	**113,429.55**
Financial liabilities:					
Trade payables	143.84	-	-	143.84	**143.84**
Other payables	1.13	-	-	1.13	**1.13**
Debt securities	34,266.96	-	36,510.59	-	**36,510.59**
Borrowings (other than debt securities)	42,474.60	-	42,704.86	-	**42,704.86**
Deposits	11,960.12	-	-	12,161.38	**12,161.38**
Subordinated liabilities	5,670.07	-	5,367.03	722.40	**6,089.44**
Other financial liabilities	912.32	-	-	912.32	**912.32**
Lease liabilities	362.81	-	-	362.81	**362.81**
Total financial liabilities	**95,791.85**	**-**	**84,582.49**	**14,303.88**	**98,886.37**
Off balance sheet items					
Other commitments	311.87	-	-	311.87	**311.87**
Total off-balance sheet items	**311.87**	**-**	**-**	**311.87**	**311.87**

(Rs. in crores)

As at March 31, 2019	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	914.01	914.01	-	-	**914.01**
Bank balance other than cash and cash equivalents	3,067.46	-	2,949.28	-	**2,949.28**
Trade receivables	8.48	-	-	8.48	**8.48**
Other receivables	19.94	-	-	19.94	**19.94**
Loans	102,307.49	-	-	101,248.55	**101,248.55**
Investments at amortised cost	2,425.63	1,539.86	-	867.35	**2,407.21**
Other investments	139.84	-	-	139.84	**139.84**
Other financial assets	36.88	-	-	32.06	**32.06**
Total financial assets	**108,919.73**	**2,453.87**	**2,949.28**	**102,316.22**	**107,719.36**
Financial liabilities:					
Trade payables	133.46	-	-	133.46	**133.46**
Other payables	2.72	-	-	2.72	**2.72**
Debt securities	34,181.76	-	29,030.64	-	**29,030.64**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2019	Carrying amount	Fair value Level-1	Level-2	Level-3	Total
Borrowings (other than debt securities)	37,189.30	-	33,526.51	-	**33,526.51**
Deposits	10,341.46	-	-	9,968.68	**9,968.68**
Subordinated liabilities	6,201.88	-	5,492.76	1,249.58	**6,742.34**
Other financial liabilities	1,016.48	-	-	1,016.48	**1,016.48**
Total financial liabilities	**89,067.06**	**-**	**68,049.91**	**12,370.92**	**80,420.83**
Off balance sheet items					
Other commitments	471.92	-	-	471.92	**471.92**
Total off-balance sheet items	**471.92**	**-**	**-**	**471.92**	**471.92**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.10: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields..

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

Investment in associate: As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. Loan and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity share of the borrower for a fixed price are classified as equity investment. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data such as secondary prices for its

52 FAIR VALUE MEASUREMENT (Contd.)

traded debt and the credit spread on credit default swaps and traded debt of itself.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

53 RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

53.01: Introduction and risk profile

53.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

53.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

53.01.03: Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

53 RISK MANAGEMENT (Contd.)

53.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Company.

53.02: Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

53.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

53.02.02: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 53.02.02.01).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.02 to 53.02.02.04)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.06)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 6.1.xi)

53.02.02.01: Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

-The borrower requesting emergency funding from the Company.

53 RISK MANAGEMENT (Contd.)

- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

53.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

53.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

53.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

53.02.02.05: Significant increase in credit risk(SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 53.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 53.02.02.06), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53.02.02.06: Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 62 for impact of COVID-19 on estimate of PD, LGD and SICR.

53.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 6.1.(xi) dependent on the factors below, the Company calculates ECLs only on a collective basis.

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. New vehicle finance
2. Pre owned vehicle finance
3. Business Loans

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2020 was Rs. 51.01 crores (March 31, 2019: Rs. 49.70 crores).

53 RISK MANAGEMENT (Contd.)

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2020			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Normal	86,628.95	10,501.60	6,351.12	**103,481.67**
Restructured **	-	-	1,003.23	**1,003.23**
Equipment finance	-	-	7.52	**7.52**
Repossessed	-	-	908.45	**908.45**
Exposure > 1 crore	436.02	130.47	519.74	**1,086.23**
Other risks-forced/fraud	-	1,627.59	387.02	**2,014.61**
Grand Total	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**

** includes repossessed assets worth Rs. 44.96 crores

53.03: Liquidity risk and funding management

In assessing the Company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings. Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios.

53 RISK MANAGEMENT (Contd.)

53.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2020:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	3,088.99	-	-	-	-	-	**3,088.99**
Bank balance other than above	2,480.60	934.41	789.14	21.78	-	-	**4,225.93**
Derivative assets	758.73	-	-	-	-	-	**758.73**
Financial assets at fair value through profit and loss	-	-	-	-	-	7.42	**7.42**
Loans *	6,915.77	14,216.43	23,589.62	64,954.52	25,558.69	1,634.19	**136,869.22**
Financial investments at amortised cost	80.29	101.63	179.55	519.43	364.27	1,574.75	**2,819.92**
Trade receivables	10.50	-	-	-	-	-	**10.50**
Other receivables	5.64	-	-	-	-	-	**5.64**
Other financial assets	-	-	-	-	-	45.15	**45.15**
Total discounted financial assets	**13,340.52**	**15,252.47**	**24,558.31**	**65,495.73**	**25,922.96**	**3,261.51**	**147,831.50**
Financial liabilities							
Deposits *	768.95	954.94	1,704.67	8,155.32	2,701.97	-	**14,285.85**
Debt securities *	1,506.34	1,740.07	3,943.97	22,256.44	9,096.87	1,532.02	**40,075.71**
Borrowings (other than debt securities) *	3,191.71	5,818.22	10,169.69	20,844.94	7,639.45	581.01	**48,245.02**
Subordinated liabilities *	929.67	326.89	325.03	1,283.78	3,324.54	2,122.82	**8,312.73**
Trade payables	143.84	-	-	-	-	-	**143.84**
Other payables	1.13	-	-	-	-	-	**1.13**
Other financial liabilities	581.20	147.66	58.96	81.48	41.92	1.10	**912.32**
Lease liabilities	24.31	20.24	36.42	135.90	83.79	62.15	**362.81**
Total discounted financial liabilities	**7,147.15**	**9,008.02**	**16,238.74**	**52,757.86**	**22,888.54**	**4,299.10**	**112,339.41**
Net discounted financial assets/ (liabilities)	**6,193.37**	**6,244.45**	**8,319.57**	**12,737.87**	**3,034.42**	**(1,037.59)**	**35,492.09**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2019:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	1,029.14	-	-	-	-	-	**1,029.14**
Bank balance other than above	903.38	1,131.13	198.54	719.28	-	-	**2,952.33**
Derivative assets	21.72	-	-	-	-	-	**21.72**
Financial assets at fair value through profit and loss	1,552.03	-	-	-	-	8.05	**1,560.08**
Loans *	15,224.47	12,609.29	21,693.97	55,374.68	17,941.91	1,087.14	**123,931.46**
Financial investments at amortised cost	112.53	149.43	197.10	460.81	330.04	1,175.72	**2,425.63**
Trade receivables	8.48	-	-	-	-	-	**8.48**
Other receivables	19.94	-	-	-	-	-	**19.94**
Other financial assets	-	-	-	-	-	36.88	**36.88**
Total discounted financial assets	**18,871.69**	**13,889.85**	**22,089.61**	**56,554.77**	**18,271.95**	**2,307.79**	**131,985.66**
Financial liabilities							
Deposits *	891.68	778.19	1,498.30	7,209.38	2,570.91	-	**12,948.46**
Debt securities *	4,968.51	5,914.48	4,916.06	18,123.86	5,013.82	3,351.01	**42,287.74**
Borrowings (other than debt securities) *	5,887.43	5,128.06	9,187.54	13,040.62	6,774.54	1,661.06	**41,679.25**
Subordinated liabilities *	251.74	409.23	879.05	2,570.03	1,204.73	4,332.99	**9,647.77**
Trade payables	133.46	-	-	-	-	-	**133.46**
Other payables	2.72	-	-	-	-	-	**2.72**
Other financial liabilities	828.34	11.98	83.77	70.01	4.43	17.95	**1,016.48**
Derivative liabilities	83.42	-	-	-	-	-	**83.42**
Total discounted financial liabilities	**13,047.30**	**12,241.94**	**16,564.72**	**41,013.90**	**15,568.43**	**9,363.01**	**107,799.30**
Net discounted financial assets/ (liabilities)	**5,824.39**	**1,647.91**	**5,524.89**	**15,540.87**	**2,703.52**	**(7,055.22)**	**24,186.36**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the contingent liabilities and commitments of the Company and its associate: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2020							
In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	133.80	**133.80**
VAT demand where the Company and its associate have filed appeal before various appellates	-	-	-	-	-	117.54	**117.54**
Service tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	326.21	**326.21**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	4.15	-	-	-	-	-	**4.15**
Commitments related to loans sanctioned but undrawn	311.87	-	-	-	-	-	**311.87**
Total commitments	**316.02**	-	-	-	-	**582.55**	**898.57**
As at March 31, 2019							
In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	78.79	**78.79**
VAT demand where the Company and its associate have filed appeal before various appellates	-	-	-	-	-	125.16	**125.16**
Service tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	198.53	**198.53**
Estimated amount of contracts remaining to be executed on capital account, net of advances	5.78	-	-	-	-	-	**5.78**
Commitments related to loans sanctioned but undrawn	471.92	-	-	-	-	-	**471.92**
Total commitments	**477.70**	-	-	-	-	**402.48**	**880.18**

53 RISK MANAGEMENT (Contd.)

53.04: Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank MCLR or London Inter-bank Offered Rate (LIBOR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Company hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2020 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Debt instrument	175.00	9.01	(8.48)
Term loans	9,941.92	875.54	(640.63)
Total floating rate borrowings	**10,116.92**	**884.55**	**(649.11)**

As at March 31, 2019 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	2,360.00	232.28	(288.97)
Term loans	10,855.48	672.97	(839.79)
Total floating rate borrowings	**13,215.48**	**905.25**	**(1,128.76)**

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount remaining unpaid to supplier as at the end of the year	0.40	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

55 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.83 crores (March 31, 2019: Rs. 0.26 crores) [including out-of-pocket expenses of Rs. Nil (March 31, 2019: Rs. Nil)] shown under Legal and professional fees in note 42 Other expenses.

56 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER FINANCE COST

In addition to the auditors remuneration shown under note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non-convertible debentures of Rs. 0.36 crores (March 31, 2019: Rs. 0.48 crores) amortised portion of which is included in note 37 Finance Costs under interest on debentures and unamortised portion of which is included in note 22 Debt securities under Redeemable non-convertible debentures - Secured -Public issue.

57 SEGMENT REPORTING

The Company operates in a single reporting segment i.e. financing. Its associate is primarily engaged in the business of facilitation service. Since, it does not meet the quantitative thresholds laid down under the Ind AS 108 – "Segment Reporting" for reportable segments, it has not been considered for segment reporting.

58 TRANSFER OF FINANCIAL ASSETS

Note 58.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Securitisation		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	21,612.72	17,770.52
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	21,452.04	17,738.52
Fair value of assets	20,054.22	16,355.39
Fair value of associated liabilities	20,358.45	15,918.57
Net position at fair value	**(304.23)**	**436.82**

Note 58.02: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,427.81	2,428.39
Carrying amount of exposures retained by the Company at amortised cost	142.78	253.60

Note 58.03: Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

59 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Resource mobilisation	148.09	67.78
Legal and professional charges	-	0.60
Membership fees	0.00	0.00
Total	**148.09**	**68.39**

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

60 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	52.82	39.51
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	53.16	40.06
Yet to be paid in cash	-	-
Total	**53.16**	**40.06**

61 MOVEMENT IN PROVISIONS

(Rs. in crores)

Particulars	As at March 31, 2019	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2020
Provision for taxes- contested	92.75	-	-	92.75

(Rs. in crores)

Particulars	As at April 01, 2018	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2019
Provision for taxes- contested	92.75	-	-	92.75

The above provisions relate to disputed tax demands in relation to VAT and Service tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

62 NOTE ON COVID

The spread of SARS-CoV-2 virus (referred as 'COVID-19') across the globe and in India has contributed to a significant decline and volatility in global and Indian financial markets and a shrink in the economic activities. The Government of India declared 21-day nation-wide lock-down to contain the pandemic COVID-19 with effect from March 25, 2020. The Government then extended the lockdown till May 31, 2020. However, the government relaxed the lock-down in certain essential areas including plying commercial vehicles for transportation of essential and non-essential goods across the country. In terms of COVID-19 regulatory package announced by Reserve Bank of India (RBI) on March 27, 2020 and in accordance with the Scheme approved by the Board of directors of the Company, the Company has extended the moratorium to the eligible borrowers for instalments falling due between March 1, 2020 and May 31, 2020. Further, pursuant to RBI notification dated May 23, 2020, the moratorium is given to eligible borrowers for a further period of three months upto August 31, 2020. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The staging of accounts as on March 31, 2020 with respect to assets which were overdue though standard and to whom moratorium has been granted is based on the days past due as on February 29, 2020 keeping it at standstill. Further, estimates and associated assumptions applied in preparing the financial statements, especially in respect of credit loss on loans, are based on historical experience and other emerging/forward looking factors including those arising on account of the COVID-19 pandemic.

The Company has used relevant indicators of moratorium, considering various measures taken by Government and other authorities along with an estimation of potential stress on probability of defaults and loss given defaults due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans, including on account of potential macro-economic conditions. Based on such assessment, the Company has made additional expected credit loss provision of Rs 909.64 crores on account of COVID-19 impact in the financial statement. The impairment loss provided for on account of COVID-19 pandemic is based on the assessment of current situation and the actual impairment loss could be different due to uncertainty over duration of pandemic and restoration of normalcy.

63 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date except the following:

The ratings of the Company which have been downgraded by the various rating agencies after March 31, 2020 are given below:

Credit Rating Agency	Instruments	As at March 31, 2020	Current Rating as on date
CRISIL	Bank Loan Long-term	CRISIL AA+/Stable	CRISIL AA+/Negative
CRISIL	Fixed deposit	CRISIL FAAA/Stable	CRISIL FAAA/ Negative
CRISIL	Non-convertible debenture	CRISIL AA+/Stable	CRISIL AA+/Negative
CRISIL	Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA+r/Stable	CRISIL PP-MLD AA+r/ Negative
CRISIL	Subordinated debt	CRISIL AA+/Stable	CRISIL AA+/Negative
India Ratings & Research Private Limited (Formerly known as "FITCH")	Non-convertible debenture	IND AA+/Stable Outlook	IND AA+/RWN
India Ratings & Research Private Limited (Formerly known as "FITCH")	Subordinated debt	IND AA+/Stable Outlook	IND AA+/RWN
India Ratings & Research Private Limited (Formerly known as "FITCH")	Structured Non-Convertible Debentures	Provisional IND AAA(CE)/Stable	This rating is now withdrawn
Standard & Poor's Ratings	Offshore Rupee Denominated Bond (Masala Bond)	BB+	BB
Standard & Poor's Ratings	U.S. Dollar Senior Secured Notes	BB+	BB
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB+/Negative	BB/Negative

RWN=Rating Watch Negative

64 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 1,758.76 crores (March 31, 2019: Rs. 1,463.76 crores) in favour of trustees representing the public deposit holders of the Company.

65 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

As per our report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

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

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

Additional information as required by paragraph 2 of the general instructions for preparation of Consolidated Financial statements to schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Asset, i.e, total assets minus total liabilities		Shares in profit or loss	
	As % of Consolidated net assets	Amount (Rs. in crore)	As % of Consolidated profit or loss	Amount (Rs. in crore)
1	2	3	4	5
Parent				
Shriram Transport Finance Company Limited	99.24%	18,005.16	99.58%	2,501.84
Subsidiaries				
Indian	Not applicable	Not applicable	Not applicable	Not applicable
Foreign	Not applicable	Not applicable	Not applicable	Not applicable
Minority interests in all subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable
Associates (Investment as per the equity method)				
Indian				
Shriram Automall India Limited	0.70%	126.46	0.42%	10.43
Foreign	Not applicable	Not applicable	Not applicable	Not applicable
Inter-company eliminations and consolidation adjustments	0.06%	10.68	0.00%	-
Joint Ventures (as per proportionate consolidation / investment as per the equity method)				
Indian	Not applicable	Not applicable	Not applicable	Not applicable
Foreign	Not applicable	Not applicable	Not applicable	Not applicable
Total	**100.00%**	**18,142.30**	**100.00%**	**2,512.27**

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

CIN: L65191TN1979PLC007874

Regd. Office: Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai - 600 004 Tel No: +91 44 2499 0356 Fax: +91 44 2499 3272.

Website: **www.stfc.in Email id: secretarial@stfc.in.**

NOTICE

NOTICE is hereby given that the Forty-First Annual General Meeting of the Members of SHRIRAM TRANSPORT FINANCE COMPANY LIMITED (the Company) will be held on Wednesday, August 19, 2020 at 3.30 p.m. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facility to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

a. the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and

b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon and

in this regard, to pass the following resolutions as Ordinary Resolutions:

(a) **"RESOLVED THAT** the audited financial statements including Balance Sheet of the Company as at March 31, 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Directors' and Auditors' Reports thereon, placed before the meeting, be and are hereby considered and adopted."

(b) **"RESOLVED THAT** the audited consolidated financial statements including Balance Sheet of the Company as at March 31, 2020, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Auditors' Reports thereon, placed before the meeting, be and are hereby considered and adopted."

2. To confirm the payment of Interim Dividend of Rs.5 per equity share already paid during the year as the Final Dividend for the Financial Year 2019-20 and in this regard, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT an Interim Dividend of Rs.5/- per equity share of face value of Rs.10/- each absorbing Rs. 136.76 crores including dividend distribution tax, for the financial year ended March 31, 2020 paid on November 19, 2019 be and is hereby noted and confirmed as the Final Dividend for the Financial Year 2019-20.

3. To appoint Mr. Puneet Bhatia (DIN 00143973), who retires by rotation as a Director and in this regard, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Puneet Bhatia (DIN 00143973), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. To fix remuneration of joint Auditors of the Company and in this regard, to pass the following resolutions as Ordinary Resolutions:

(a) **"RESOLVED THAT** pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Haribhakti & Co. LLP, Chartered Accountants Firm (Firm Registration No.103523W/W100048), who were appointed as joint Auditors of the Company at the 38th Annual General Meeting (AGM) held on June 29, 2017 to hold office from conclusion of 38th AGM until the conclusion of 43rd AGM of the Company, be paid remuneration of Rs. 58,00,000/- (exclusive of certification fees, goods and services tax and reimbursement of out of pocket expenses) for the financial year 2020-21."

(b) **"RESOLVED THAT** pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E), who were appointed as joint Auditors of the Company at the 38th Annual General Meeting (AGM) held on June 29, 2017 to hold office from conclusion of 38th AGM until the conclusion of 43rd AGM of the Company, be paid remuneration of Rs.34,80,000/- (exclusive of certification fees, goods and services tax and reimbursement of out of pocket expenses) for the financial year 2020-21."

SPECIAL BUSINESS

5. **To enhance the limit to sell/ assign/ securitize receivables and in this regard, to pass the following resolution as a Special Resolution:**

   "RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the "Act"), consent of the Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorised by the Board of Directors to sell / assign / securitize receivables of hypothecation / hire purchase / lease / loan agreements/contracts due from the hirers / lessees / loanees / borrowers of the Company from time to time provided that the aggregate amounts of such transactions outstanding at any point of time shall not exceed Rs. 40,000 crores (Rupees Forty Thousand Crores Only).

   RESOLVED FURTHER THAT the Board of Directors or such Committee/ or person/(s) as authorised by the Board of Directors be and are hereby authorised to finalise the form, extent and manner of, and to sign all such documents, deeds, and writings for giving effect to this resolution."

6. **To approve conversion of loan into equity or other capital of the Company in case of Event of Default and in this regard, to pass the following resolution as a Special Resolution:**

   "RESOLVED THAT pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the consent of the Company be and is hereby accorded to increase subscribed capital of the Company caused in the event of exercise of rights by the lenders of the company to convert the whole or part of the outstanding amount(s) of Loan(s) in to equity or other capital of the Company in the Event of Default by the Company to repay the Loan(s) in terms of the Financing Document(s) executed or to be executed by the Company in favour of the Lender(s) at a price to be determined in accordance with the applicable regulations of Securities and Exchange Board of India or the directions of Reserve Bank of India and in accordance with the applicable regulatory guidelines of the regulatory authorities.

   RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall include the Banking and Finance Committee or any other Committee constituted by the Board) be and are hereby authorized to negotiate and finalize on behalf of the Company all the terms and conditions and the agreement(s), undertaking(s), declaration(s), indemnity(ies), affidavit(s), document(s), paper(s) and to execute the same on behalf the Company in favour of the lenders(s) and to do all such acts, deeds, matters and things including issue, allotment of further shares in the subscribed capital of the Company and to settle all such matters, issues, doubts, at its absolute discretion, to facilitate the process of conversion of the Loan(s) as aforesaid in the Event of Default to give effect to this resolution."

7. **To authorize capital raising through issuance of Equity Shares and/or other Eligible Securities and in this regard, to pass the following resolution as a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 23, 42, 62,71 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Companies Act**"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment thereof), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI LODR Regulations**"), the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the uniform listing agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited, (the "**Stock Exchanges**"), the Foreign Exchange Management Act, 1999 and the rules and regulation framed thereunder, as amended, including Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Depository Receipts Scheme, 2014, as amended, the current Consolidated FDI Policy and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the "**GoI**"), the Reserve Bank of India (the "**RBI**"), and the Securities and Exchange Board of India (the "**SEBI**"), Stock Exchanges, Ministry of Corporate Affairs ("**MCA**"), the Registrar of Companies, Tamil Nadu at Chennai and/ or any other competent authorities, whether in India or abroad, (hereinafter singly or collectively referred to as the "**Appropriate Authorities**") and subject to necessary approvals, permissions, consents and sanctions as may be necessary from the Appropriate Authorities in this regard and further subject to such terms, conditions, alterations, corrections, changes, variations and/ or modifications as may be prescribed or imposed by the Appropriate Authorities while granting

any such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include Securities Issuance Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised on behalf of the Company to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of the Issue and for such categories of persons as maybe permitted), such number of equity shares of the Company of face value of Rs.10 each ("**Equity Shares**") and/or other Eligible Securities defined under Regulation 171(a) of SEBI ICDR Regulations, including Foreign Currency Convertible Bonds (FCCBs), fully convertible debentures/partly convertible debentures, non-convertible debentures with warrants convertible into Equity Shares, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (other "**Eligible Securities**") up to an aggregate amount of Rs. 2,500 crore (Rupees Two Thousand and Five Hundred crore only) or equivalent thereof in one or more currencies, at such price or prices, at a discount or premium to market price or prices, as permitted under applicable laws (Issue), in any combination in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, through one or more public issue(s), private placement(s), qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable laws to eligible investors in the course of domestic or international offerings through issue of placement document and/or a letter of offer and /or circular or other permissible/requisite offer document to Qualified Institutional Buyers (QIBs) as defined under the SEBI ICDR Regulations in accordance with Chapter VI of the SEBI ICDR Regulations including resident or non-resident/foreign investors (whether institutions and/or incorporated bodies and/or trusts or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, banks, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, pension funds and/or any other categories of investors or persons who are authorized to invest in the Company's Equity Shares or other Eligible Securities as per the extant regulations or guidelines, whether they be holders of Equity Shares of the Company or not (collectively referred to as "Investors") or any combination of the above as may be deemed appropriate by the Board in its absolute discretion in consultation with book running lead managers appointed for this purpose on such terms and conditions including securities premium and green shoe option attached thereto, at such price or prices (at prevailing market price or at permissible discount or premium to market price in terms of applicable regulations) at the Board's absolute discretion including the discretion to decide the categories of Investors to whom the offer, issue and allotment of Equity Shares and/or other Eligible Securities shall be made to the exclusion of others, subject to applicable law, considering prevailing market conditions and other relevant factors wherever necessary.

RESOLVED FURTHER THAT subject to the provisions of the SEBI ICDR Regulations, in the event the Issue is undertaken by way of Qualified Institutions Placement ("QIP") to Qualified Institutional Buyers ("**QIBs**") in terms of Chapter VI of the SEBI ICDR Regulations:

(a) the allotment of Equity Shares and/or other Eligible Securities shall only be to Qualified Institutional Buyers as defined in the SEBI ICDR Regulations ("QIBs")

(b) the allotment of such Equity Shares and/or other Eligible Securities, or any combination of Eligible Securities as may be decided by the Board to be completed within a period of 365 days from the date of passing of the Special Resolution by the Members or such other time as may be allowed under the SEBI ICDR Regulations from time to time;

(c) The Equity Shares and/or other Eligible Securities (excluding warrants) shall be allotted as fully paid up.

(d) in case of allotment of Equity Shares, the relevant date for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board decides to open the QIP for subscription and in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the Issue of such other Eligible Securities or the date on which the holders of such other Eligible Securities become entitled to apply for Equity Shares, as may be determined by the Board;

(e) no single allottee shall be allotted more than fifty per cent of the Issue size and the minimum number of allottees shall be as per the SEBI ICDR Regulations;

(f) to determine and finalize price for issuance of any Equity Shares and/or other Eligible Securities, subject to the price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations (the QIP Floor Price);

Provided however, that the Board may, at its absolute discretion, in consultation with the book running lead managers, offer a discount of not more than 5% or such other discount as permitted under applicable law on the QIP Floor Price, calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations;

(g) any subsequent QIP of Equity Shares and/or other Eligible Securities shall not be made until the expiry of two weeks or such other period as may be permitted by SEBI, from the date of the prior QIP made pursuant to this Special Resolution.

(h) The Equity Shares and/or other Eligible Securities shall not be eligible to be sold by the allottee(s) for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time.

RESOLVED FURTHER THAT in case of offering of any other Eligible Securities convertible into Equity Shares, consent of the shareholders be and is hereby accorded to the Board to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Eligible Securities referred to above in accordance with the terms of issue/ offering in respect of such Eligible Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares and/or other Eligible Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company to seek listing of any or all of such Equity Shares and/ or other Eligible Securities on one or more Stock Exchanges in India or abroad, as necessary.

RESOLVED FURTHER THAT the Equity Shares that may be issued and allotted, including upon conversion of any other Eligible Securities in accordance with the terms of the offering, shall rank pari passu with the existing Equity Shares of the Company in all respects including entitlement to dividend, voting rights or otherwise.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares and/or other Eligible Securities or instruments representing the same, as described above, the Board be and is hereby authorized to (i) do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of the Equity Shares and/or other Eligible Securities, the number of Equity Shares and/or Eligible Securities that may be offered in domestic and international markets and proportion thereof, timing for issuance of such Equity Shares and/or other Eligible Securities (ii) to vary, modify or alter any of the terms and conditions as it may deem expedient, (iii) entering into and executing agreements in relation to arrangements made for managing, marketing, listing, trading and providing legal advice as well as acting as depository, custodian, registrar, trustee, escrow agent (iv) to execute any amendments or supplements thereto, as may be necessary or appropriate (v) to finalize, approve and issue placement document(s), prospectus and/or offer document and/or circular(vi) filing of placement documents(s), prospectus and other documents (in preliminary or final form) with any Indian or foreign regulatory authority or stock exchanges (vii) to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto (viii) to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares and/or other Eligible Securities and (ix) take all steps which are incidental and ancillary in this connection, including in relation to utilization of the Issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to seek any approval that is required in relation to the creation, issuance and allotment and listing of the Equity Shares and/or other Eligible Securities, from any statutory or regulatory authority or the stock exchanges in India or abroad, as necessary and that any approvals that may have been applied for by the Board in relation to the creation, issuance and allotment and listing of the Equity Shares and/ or other Eligible Securities be and are hereby approved and ratified by the members."

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (collectively referred to as "MCA Circulars") permitted to hold the Annual General Meeting ("AGM") for the calendar year 2020 through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 41st AGM of the Company is being held through VC / OAVM. The deemed venue for the 41st AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the 41st AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this 41st AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 41st AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing's body resolution/authorization etc., authorizing their representative to attend the 41st AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to srirampcs@gmail.com and may also upload the same at https://evoting.karvy.com.
4. The Explanatory Statement pursuant to Section 102(1) of the Act, in respect of the item no. 5 to 7 is annexed and forms a part of this Notice. The Board of Directors, at their meeting held on June 10, 2020 and June 15, 2020, has decided that the special business set out under item nos. 5 to 7, being considered unavoidable, be transacted at the 41st AGM of the Company.
5. Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, August 13, 2020 to Wednesday, August 19, 2020 (both days inclusive) for the purpose of 41st AGM of the Company.
6. A brief detail of the director, who is being re-appointed, is annexed hereto as per the requirements of regulation 36(3) of the SEBI Listing Regulations and as per provisions of the Act.
7. The Board of Directors at its meeting held on October 24, 2019, had declared interim dividend of Rs.5/- per equity share of Rs.10/- each for the financial year 2019-20. The payment was made on November 19, 2019. In order to conserve cash resources to face the challenges and the contingencies created by Corona virus pandemic, the Board of Directors have not recommended the final dividend. As such, the interim dividend shall be the final dividend for the financial year 2019-20.

   The Board of Directors recommend for consideration of the members the above referred interim dividend as final dividend for the financial year ended March 31, 2020.
8. At the 38th AGM held on June 29, 2017 the Members approved appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants Firm (Firm Registration No.103523W/W100048) and M/s. Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E) as joint Auditors of the Company to hold office from the conclusion of 38th AGM till the conclusion of the 43rd AGM, subject to ratification of their appointment by Members at every AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of joint auditors at the 41st AGM.
9. The facility of joining the 41st AGM through VC/OAVM will be opened 30 minutes before and will be open upto 15 minutes after the scheduled start time of the 41st AGM, i.e., from 03.00 p.m. to 03.45 p.m. and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.
10. Institutional investors, who are members of the Company, are encouraged to attend and vote at the 41st AGM of the Company.
11. In terms of sections 101 and 136 of the Act read with the rules made thereunder, the listed companies may send the notice of 41st AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the 41st AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and

Annual Report for F.Y.2019-20 will also be available on the Company's website www.stfc.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Private Limited ('KFin') at https://evoting.karvy.com.

12. Further, those Members who have not registered their email addresses may temporarily get themselves registered with Company's Registrar and Share Transfer Agent, Integrated Registry Management Services Private Limited ("Integrated") by clicking the link: https://www.integratedindia.in/emailupdation.aspx for receiving the Annual Report for F.Y.2019-20 also containing Notice of the AGM.
13. Members attending the 41st AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 12, 2020 being Cut-off Date.
15. Any person, who acquires shares of the Company and becomes a Member after dispatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e. August 12, 2020, may obtain the login Id and password by sending a request at evoting@kfintech.com or csdstd@integratedindia.in or secretarial@stfc.in.
16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the 41st AGM.
17. Since the 41st AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Chennai, Tamil Nadu - 600 004:
    i) Register of contracts or arrangements in which directors are interested under Section 189 of the Act.
    ii) Register of directors and key managerial personnel and their shareholding under Section 170 of the Act.

    In accordance with the MCA Circulars, the Statutory Registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any Member during the continuance of the 41st AGM.
19. The Board of Directors has appointed Mr. P. Sriram, Practising Company Secretary (Membership No. FCS 4862), Chennai as the Scrutinizer to scrutinize the e-voting process (remote e-voting and Insta Poll at the 41st AGM) and at the 41st AGM in a fair and transparent manner and he has consented to act as scrutinizer.
20. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company at secretarial@stfc.in or Company's Registrars and Share Transfer Agents, Integrated Registry Management Services Private Limited ("Integrated") at csdstd@integratedindia.in for assistance in this regard.
21. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register their e-mail address with their Depository Participant (s)(DP) in case the shares are held by them in electronic form and with Integrated in case the shares are held by them in physical form for receiving all communication including Annual Report, Notices, Financial Results etc. from the Company electronically.
22. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Integrated in case the shares are held by them in physical form.
23. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Integrated, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
24. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.

25. Transfer of unclaimed dividend transferred to Investor Education and Protection Fund

i. Pursuant to the provisions of Section 125 of the Companies Act, 2013, the dividends which remain unclaimed for a period of 7 years will be transferred by the Company to the "Investor Education and Protection Fund" (IEPF) established by the Central Government as and when they fall due. Shareholders who have not encashed their dividend warrant/ payment instrument(s) so far are requested to make their claim to the Company's Corporate Office or to Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street North Usman Road, T Nagar, Chennai - 600 017 before transfer to IEPF on the respective dates mentioned below. The intimation in this regard is being sent to the concerned shareholders.

Year ending on March 31	Dividend to be transferred to IEPF		Year ending on March 31	Dividend to be transferred to IEPF	
	Final Dividend	Interim Dividend		Final Dividend	Interim Dividend
2013	10/08/2020	-	2017	04/08/2024	30/11/2023
2014	14/08/2021	04/12/2020	2018	31/08/2025	07/12/2024
2015	05/09/2022	25/11/2021	2019	02/08/2026	30/11/2025
2016	01/09/2023	04/12/2022	2020	-	29/11/2026

ii) **Transfer of Equity Shares to Investor Education and Protection Fund** –As per Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs(MCA), the Company is required to transfer the shares to Investor Education and Protection Fund Authority (IEPF Authority), the shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF Authority as per Section 124 of the Act, and the applicable rules. Accordingly, during the financial year 2019-2020 the Company had transferred 56,128 Equity shares of Rs. 10/- each in respect of which the following dividend is not claimed/remains unpaid for seven consecutive years as per the below mentioned table.

Financial Year	Type of Dividend	No. of Shares Transferred to IEPF Authority	IEPF 4 Form Filing date
2011-2012	Final Dividend	24,715	01/10/2019
2012-2013	Interim Dividend	31,413	27/03/2020

The Members who have a claim on above dividends and equity shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5. During the financial year ended March 31, 2020, the Company had received requests from investors for claiming dividends, fixed deposits and equity shares from IEPF Authority. Information on the procedures to be followed for claiming the dividend/shares/ fixed deposits are available on the weblink: http://www.iepf.gov.in/IEPF/refund.html

No claims shall lie against the Company in respect of the dividend, shares, etc. so transferred. The Members/ Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

Voting through electronic means

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations, the Members are provided the facility to cast their vote electronically, through the remote e-voting services provided by M/s KFin Technologies Private Limited ('KFin'), on all the resolutions set forth in this Notice. A person, whose name is recorded in the Register of Members (in case of physical shareholding) or in the register of beneficial owners maintained by the depositories (in case of dematerialized shares) as on the cut-off date i.e. Wednesday, August 12, 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the 41st AGM and voting through Insta Poll. A person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only.

The remote e-voting period commences on **Sunday, August 16, 2020 (9.00 a.m. IST)** and ends on **Tuesday, August 18, 2020 (5:00 p.m. IST)**. The e-voting module shall be disabled by Kfin for voting thereafter. Those shareholders, who will be present in the 41st AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 41st AGM.

I. Procedure and Instructions for remote e-voting are as under:

(i) Initial password is provided in the body of the email.

(ii) Launch internet browser and type the URL: https://evoting.karvy.com in the address bar.

(iii) Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./ DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, use your existing User ID and password for casting your votes.

(iv) After entering the details appropriately, click on LOGIN.

(v) You will reach the password change menu wherein you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) You need to login again with the new credentials.

(vii) On successful login, the system will prompt you to select the EVENT i.e. Shriram Transport Finance Company Limited

(viii) On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

(ix) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

(x) Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

(xi) Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (pdf/jpg format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at srirampcs@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'STFCL_EVENT No.'.

(xii) In case of any queries/grievances, related to e-voting, the Member may contact the following person or may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of https://evoting.karvy.com :

Name : Mr. D S Nagaraja
Designation : Deputy Manager,
KFin Technologies Private Limited
Unit: Shriram Transport Finance Company Limited
Selenium Tower B, Plot 31-32
Gachibowli Financial District,
Nanakramguda,
Hyderabad – 500 032
Email ID: evoting@kfintech.com
Tel: 040 6716 1582/ Toll free No. 1-800-3454-001

Alternatively, Members may also write to Company Secretary at secretarial@stfc.in.

In case of any other queries/grievances, the Member may send an email at csdstd@integratedindia.in to Integrated Registry Management Services Private Limited, Registrar and Share Transfer Agents of the Company.

II. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretarial@stfc.in / csdstd@integratedindia.in
2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secretarial@stfc.in/csdstd@integratedindia.in

III. Instructions for attending/joining the 41st AGM through VC/OAVM are as under:

1. Members will be able to attend the 41st AGM through VC/OAVM facility provided by KFin at https://emeetings.kfintech.com by clicking on the tab 'Video Conference' and using their remote e-voting login credentials. The link for 41st AGM will be available in members login where the EVENT and the name of the Company can be selected.

2. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned under heading 'I' above.
3. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
4. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
5. While all efforts will be made to make the VC/ OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

6. **AGM Questions prior to 41st AGM:** Members who would like to express their views/ask questions during the 41st AGM may log into https://emeetings.kfintech.com/ and click on "Post your Questions". Thereafter, the Members may post their queries/views in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. "Post your Questions" shall commence on Sunday, August 09, 2020 (9:00 a.m. IST) and close on Wednesday, August 12, 2020 (5:00 p.m. IST). Please note that only questions of the members holding the shares as on cut-off date will be considered.
7. **Speaker Registration during 41st AGM session:** Members who would to express their views/ask questions during the 41st AGM may log into https://emeetings.kfintech.com/ and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on Sunday, August 09, 2020 (9:00 a.m. IST) and close on Wednesday, August 12, 2020 (5:00 p.m. IST). Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the 41st AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the 41st AGM.
8. A video guide assisting the members attending 41st AGM either as a speaker or participant is available for quick reference at:
   https://emeetings.kfintech.com/video/howitworks.aspx
9. Members who need technical assistance before or during the 41st AGM can contact KFin at emeetings@kfintech.com or helpline – 1800 345 4001.

IV. Instructions for e-voting at the 41st AGM are as under:-

1. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the 41st AGM proceedings. Members shall click on the same to take them to the "instapoll" page.
2. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. Only those Members, who will be present in the 41st AGM through video conferencing facility and have not cast their vote through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting at the 41st AGM.

V. Scrutinizer's Report and declaration of results:

i. The Scrutinizer shall, immediately after the conclusion of voting at the 41st AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting and make a consolidated Scrutinizers' report of the total votes cast in favour or against, not later than 48(forty eight) hours of the conclusion of the 41st AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

ii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.stfc.in and on the website of Karvy at https://evoting.karvy.com/ immediately after the declaration of results by the Chairman and communicate to the National Stock Exchange of India Limited and BSE Limited. The resolutions shall be deemed to be passed at the 41st AGM of the Company.

By Order of the Board
For Shriram Transport Finance Company Ltd.

Vivek Achwal
Company Secretary
Membership No. : ACS 8061

Mumbai
June 15, 2020

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ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

ITEM NO. 5

Section 180(1)(a) of the Companies Act, 2013 ('the Act'), provides that the Board of Directors of a company shall not except with the consent of the Company in General Meeting, by way of Special Resolution, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company. Explanation of "undertaking" for the purpose of Section 180(1)(a) of the Act, shall mean an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year.

The Company is required to raise funds by way of securitization of receivables by way of sale /assignment. The outstanding Securitization assets portfolio of the Company as on March 31, 2020 was Rs. 21,612.72 crores and outstanding direct assigned portfolio stood at Rs. 1,247.53 crores. The members of the Company by way of special resolution passed on July 09, 2014 through postal ballot/e-voting had authorised the Board of Directors to securitize receivables by way of sale / assignment from time to time provided that outstanding amounts of such securitization at any point of time shall not exceed Rs. 30,000 crores.

During the current financial year 2020-21 the Company will continuously review its borrowing options for optimization of borrowing costs, maintaining good liquidity for its business growth and timely servicing of liabilities. Therefore, depending upon the market conditions, the Company may require higher limits for securitization than the existing limit of Rs. 30,000 crore. The limit of Rs. 40,000 as proposed in the Special Resolution at item no. 5 of the Notice will give adequate flexibility to the Company to change its borrowing profile depending upon market conditions. With securitization, the Company ensures better borrowing profile, leading to lower interest liability owing to its lending to priority sector as per Reserve Bank of India. The securitization of receivables may result into disposal of undertaking as defined in the Explanation to Section 180(1)(a) of the Act. The resolution proposed at item no.5 is to seek the permission of the members for enhancement of limits for selling, assigning, securitizing Receivables under Section 180(1) (a) of the Act by the Board of Directors of the Company or its Committee as may be authorised by the Board of Directors.

The Board of Directors commend passing of the said resolution.

None of the directors, key managerial personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 6

The Company is one of the leading asset financing non-banking financial companies (NBFC), primarily engaged in the business of financing of the pre-owned commercial vehicles in the goods and passenger transportation sector of the country. Being NBFC, the Company borrows funds from the lenders by availing various fund-based and non-fund based credit facilities including terms loans, demand loans, working capital loans, letter(s) of credit, bill discounting, corporate guarantee (Loan(s)) in the ordinary course of its business from bank(s) and financial institution(s) (Lender(s)) for onward lending, from time to time. In this connection, the Company has executed/will be required to execute loan agreement(s), deed(s) of hypothecation, mortgage deed(s), undertaking(s), indemnity(ies), declaration(s), affidavit(s), document(s) and papers ('Financing Documents') to provide security to the Lenders for due repayment and serving of the Loan(s) from time to time. The Company is also required to agree and accept modification(s) in the Financing Documents from time to time as may be required by the lender(s). As on March 31, 2020, the outstanding amount of the Loans availed by the Company from the Lenders was Rs. 21,022.56 crores. This amount may increase or decrease in the course of business of the Company within the limit(s) approved by the Members pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 ('the Act').

One of the standard clauses of the Financing Documents executed/to be executed by the Company in favour of the Lender(s) provide that in case of the occurrence of an Event of Default which is not corrected/cured by the Company within the period stipulated in the Financing Document(s) or in case of restructuring of debt, the Lender(s) shall have the right to convert the outstanding amounts of the Loan(s) together with all interest, default interest, additional interest, costs, fees, charges and other monies in relation to the Loan(s), to equity or other capital of the Company. The price of the shares for conversion of the Loan(s) will be determined in accordance with the applicable regulations of Securities and Exchange Board of India or the directions of Reserve Bank of India, in accordance with the applicable regulatory guidelines.

Pursuant to the proviso to Section 62(3) of the Act approval of the company by way passing Special Resolution is necessary to convert the loan into shares in the Company.

The Company has a good track record of timely repayment of Loan(s) and interest due thereon. In the opinion of the Board, there are no events or circumstances causing or likely to cause occurrence of the Event of Default resulting into conversion of Loan(s) into equity or other capital of the Company in the near future.

This enabling special resolution is proposed to be passed as per the requirement of the Financing Documents executed and/or to be executed by the Company in favour of the Lender(s). Hence, approval of the members of the Company by way of passing Special Resolution is sought as per requirement of the provision of Section 62(3) or any other applicable provisions of the Act.

The Board commends passing of the special resolution as per item 6 of the Notice.

None of the directors, key managerial personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 7

The Board of Directors in its meeting held on June 15, 2020 approved fund raising up to Rs.4,000 crores consisting of Rights Issue of Equity Shares up to Rs. 1,500 crores to be offered to the existing Eligible Equity Shareholders on the Record Date to be announced in due course. The Board of Directors had further approved an issuance of Equity Shares and/or other Eligible Securities aggregating to Rs. 2,500 crores through various permissible modes including qualified institution placement (QIP), public issue, private placement, etc.

The Board considers that strengthening the Company's capital base and balance sheet is important and the proposal of fund raising up to Rs. 2,500 crores will help the Company to augment the long term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic.

The type of securities could be Equity shares and/or fully convertible debentures/partly convertible debentures, secured and/or unsecured Foreign Currency Convertible Bonds (FCCBs), non-convertible debentures with warrants convertible into Equity Shares, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares or any combination thereof ('other Eligible Securities') depending upon the prevailing market conditions. One or more Qualified Institutions Placement(s), public issue(s), private placement(s) could be used to issue such Equity shares or other Eligible Securities in one or more tranches and/or one or more issuances for an aggregate amount up to and not exceeding Rs. 2500 crores.

It is proposed to seek approval of the shareholders through the enabling resolution for raising of funds for an amount up to Rs. 2,500 crores or its equivalent in any other currency(ies)

The issue of Equity Shares and /or other Eligible Securities shall be made having due regard to the prevailing market conditions and any other relevant factors. The detailed terms and conditions for the issue(s)/offering(s) including price and timing of the Issue will be determined by the Board (which shall mean and include the Securities Issuance Committee) in its sole discretion in consultation with the advisors, book running lead managers and such other authority or authorities as may be necessary.

The allotment of the Equity Shares and/or other Eligible Securities shall be completed within a period of 365 days from passing of this resolution or such other time as may be allowed under SEBI-ICDR Regulations.

The resolutions proposed are enabling approvals and the exact combination of instrument(s), exact price, proportion and timing of the issue of the Equity Shares and/or or other Eligible Securities in one or more tranches and/or issuances and the detailed terms and conditions of such tranche(s)/ issuances will be decided by the Board in consultation with lead managers, advisors and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors after meeting the specific requirements in a manner that the aggregate amount of proceeds in one or more issuances or tranches shall not exceed overall limit of Rs. 2,500 crores or its equivalent in other currency(ies).

The proposals therefore seek to confer upon the Board the absolute discretion and adequate flexibility to determine the terms of issue(s) and to take all steps which are incidental and ancillary. As the pricing of the offer cannot be decided except at a later stage, it is not possible to state upfront the price of Equity Shares and/or other Eligible Securities to be issued. However, the same would be in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations"), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999, the Companies Act, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, the Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations, 2019, the Foreign Exchange Management (Debt Instruments) Regulations, 2019, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 or any other guidelines/ regulations/ consents, each as amended, as may be applicable or required.

In the event of the issue of the Equity Shares and/or other Eligible Securities as aforesaid by way of a QIP, the Special

Resolution also seeks to empower the Board to undertake a QIP as defined by ICDR Regulations, where pricing will be determined in terms of the SEBI ICDR Regulations.

The 'relevant date' shall be determined in accordance with Regulation 171 of the SEBI ICDR Regulations, that is, for Equity Shares, it shall be the date of the meeting of the Board where the decision for opening of the QIP issue for subscription is taken. For other Eligible Securities, the 'relevant date' shall be the date of the meeting of the Board decides to open the issue of such eligible other Eligible Securities or the date on which the holders of such other Eligible Securities become entitled to apply for the Equity Shares.

Further, Section 62(1)(a) of the Companies Act, 2013 (the "Companies Act") provides, inter alia, that when it is proposed to increase the subscribed capital of the company by issue of further shares, such further shares shall be offered to existing Members of such company in the manner laid down therein unless the Members by way of a Special Resolution decide otherwise. Since the Special Resolution proposed at item No. 7 of the Notice may result in the issue of Equity shares of the Company to persons other than existing Members of the Company, approval of Members is being sought pursuant to provisions of Section 62(1)(c) and other applicable provisions of the Companies Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of SEBI-LODR Regulations. The approval of the Members is being sought pursuant to the provisions of Section 23, 42, 71 and other applicable provisions of the Companies Act and Rules notified under the Act, applicable regulations of SEBI including the SEBI ICDR Regulations, to the extent applicable.

The Board will take all steps to implement the proposal including but not limited to appointment of merchant bankers , book running lead managers, lead managers, legal advisors, depository, custodians, registrar, escrow agents and other intermediaries to advise and assist the Company regarding the issue of Equity Shares and/or other Eligible Securities, meeting and negotiating with the potential investors.

The Equity Shares to be allotted would be listed on one or more stock exchanges. The offer/ issue/ allotment of the Equity Shares and/or other Eligible Securities would be subject to the availability of the regulatory approvals, if any.

In connection with the proposed issue of the Equity Shares and/ or the other Eligible Securities, the Company is required, inter alia, to prepare various documentations and execute various agreements. The Company is yet to identify the investor(s) and decide the quantum of Equity Share and/ or other Eligible Securities to be issued to them. Hence, the details of the proposed allottees, percentage of post offer holding that may be held by them and post offer holding pattern of Equity Shares and /or other Eligible Securities of the Company and other details are not available at this point of time and shall be disclosed by the Company under the applicable regulations in due course (at appropriate times and modes). Accordingly, it is proposed to authorize the Board to identify the investor(s), issue such number of Equity Shares and/or other Eligible Securities, negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company. The issue/ allotment/ conversion would be subject to the applicable regulatory approvals, if any. The conversion of other Eligible Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations.

The Board commends passing of the Special Resolution as per item 7 of the Notice.

None of the Directors, key managerial personnel of the Company and their relatives is concerned or interested in this resolution, except to the extent of Equity Shares and / or other Eligible Securities issued/allotted to the entities in which they are directors or members.

This Notice does not constitute an offer or invitation or solicitation of an offer of securities to the public within or outside India. Nothing in this Notice constitutes an offer of securities for sale or solicitation in any jurisdiction in which such offer or solicitation is not authorized or where it is unlawful to do so.

This announcement is not an offer of securities for sale in the United States. Any securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended ('the Securities Act') or any United States state securities laws, and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable United States state securities laws. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

By Order of the Board

For Shriram Transport Finance Company Ltd.

Mumbai
June 15, 2020

Vivek Achwal
Company Secretary

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Website: www.stfc.in Email id: secretarial@stfc.in.

Information as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and SS2 - Secretarial Standard on General Meetings with respect to Director's re-appointment:

Name of Director	Mr. Puneet Bhatia (Non-Executive/ Non Independent Director)
Date of Birth and Age	16/12/1966 and 53 years
DIN	00143973
Date of appointment / first appointment on the Board	October 26, 2006
Nationality	Indian
Expertise in specific functional areas	Wide experience in the field of finance and worked with one of the first private equity firm to invest in Asia as Managing Director and Country Head
Qualifications	Bachelor's degree in Commerce and MBA from IIM – Calcutta.
Directorship held in other companies	1.Havells India Limited. 2.Sai Life Sciences Limited. 3.R R Kabel Limited. 4.Ram Ratna Electricals Limited. 5.Jana Small Finance Bank Limited. 6.Shriram Capital Limited. 7.Jana Capital Limited. 8.TPG Capital India Private Limited. 9.Flare Estate Private Limited. 10.Campus Activewear Private Limited. 11.Manipal Health Enterprises Private Limited.
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders Relationship Committee)	Shriram Capital Limited Member – Audit Committee
Shareholdings in the Company	NIL
Disclosure of relationships between directors/Key Managerial Personnel inter-se.	There is no inter-se relationship between Mr. Puneet Bhatia and the directors on the Board of Directors of the Company and Key Managerial Personnel.
Remuneration to be paid and received from the Company in the F.Y. 2019-20	Nil being a Non-Executive Non- Independent Director.
Terms and conditions of re-appointment along with details of remuneration sought to be paid	Director liable to retirement by rotation. No Remuneration is paid to Non-Executive Non-Independent Director.
The number of Meetings of the Board attended during the F.Y. 2019-20	3 Meetings attended out 6 Board Meetings held.

BRIEF PROFILE OF MR. PUNEET BHATIA

Puneet Bhatia is the Co-Managing Partner for TPG Capital Asia and the head of TPG Capital India. He has created and led over a dozen transactions and invested close to $2bn for TPG Capital in India including Matrix Laboratories, Vishal Retail, invested over $500m in the Shriram group in four of the group companies, in Manipal Hospitals, Union Bank of Colombo PLC and Jana Capital Ltd and recently in the largest private equity transaction in India in UPL, Sai Pharma and RR Kabel. He currently serves on the Board of Directors of these companies.

Prior to joining TPG in April 2002, Mr. Bhatia was Chief Executive, Private Equity Group for GE Capital India ("GE Capital"), where he was responsible for conceptualizing and creating its direct and strategic private equity investment group. As Chief Executive, he created and handled a portfolio of almost a dozen companies such as TCS, Patni Computers, BirlaSoft, Sierra Atlantic, iGate, Indus Software and Rediff. He was also responsible for consummating some of GE Capital's joint ventures in India. Prior to this, Mr. Bhatia was with ICICI Ltd from 1990 to 1995 in the Project and Corporate Finance group and worked as Senior Analyst with Crosby Securities from 1995 to 1996. Mr. Bhatia was born, grew up in and is based in India. He has a B.Com Honors degree from the Sriram College of Commerce, Delhi and an MBA from the Indian Institute of Management, Calcutta. The Nomination and Remuneration Committee in its meeting held on April 29, 2020 as well as the Board of Directors in its meeting held on June 10, 2020 recommend re-appointment of Mr. Puneet Bhatia a non-executive non-independent director, liable to retire by rotation. Except Mr. Puneet Bhatia, none of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution as set out in item no. 3 of the Notice.

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