SHRIRAM Credit

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

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting before you the 39th Annual Report of the Company together with the financial statements of the Company for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

PARTICULARS	Financial year			
	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Gross Income	5,44,72,347	7,57,65,699	242,72,51,985	2,63,98,95,765
Profit Before Interest and Depreciation	55,27,437	1,80,83,518	16,18,42,119	27,83,22,301
Finance Charges	-	-	65,58,503	52,97,041
Gross Profit	55,27,437	1,80,83,518	15,52,83,616	27,30,25,260
Provision for Depreciation	21,48,700	21,49,593	2,07,25,946	1,78,38,536
Net Profit Before Tax	33,78,737	1,59,33,925	13,45,57,670	25,51,86,724
Provision for Tax	(18,21,309)	79,88,806	6,26,84,266	8,61,11,616
Other Comprehensive Income	-	-	(42,31,721)	(37,68,909)
Minority Interest	-	-	2,67,718	99,39,950
Net Profit After Tax	15,57,428	79,45,119	6,73,73,965	15,53,66,249
Opening Adjustments	(27,72,626)	-	(27,31,063)	(86,75,007)
Transferred to Statutory Reserve	(3,11,486)	(15,89,024)	(3,11,486)	(15,89,024)
Balance of Profit brought forward	13,48,94,294	13,80,49,917	137,06,96,166	1,22,55,93,953
Balance available for appropriation	13,33,67,611	14,44,06,012	143,50,27,582	1,37,06,96,171
Net Interim Dividend Paid	-	-	-	-
Tax on Interim Dividend	-	-	-	-
Transfer to General Reserve	-	-	-	-
Surplus carried to Balance Sheet	13,33,67,611	14,44,06,012	143,50,27,582	1,37,06,96,171

REVIEW OF OPERATIONS

Your Company has during the year under review had earned a standalone total income of Rs. 5,44,72,348/- and a Net Profit after Tax of Rs. 55,90,348/- as compared to the total income of Rs. 7,57,65,699/- and a Net Profit after Tax of Rs. 79,45,119/- earned during the last year.

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CHANGE IN THE NATURE OF BUSINESS

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

DIVIDEND & TRANSFER TO RESERVES

In order to conserve the funds for the business operations and expansion, the board decided not to declare dividend for the financial year ended 31st March, 2019.

Your Company has transferred Rs. 3,11,486/- to Statutory Reserve in terms of Section 45 IC of Reserve Bank of India Act, 1934.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

No material changes and commitments affecting the financial position of the Company have taken place from 31st March, 2019 till the date of this report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

i. **Appointment / Resignation of Directors :**

There has been no appointment or resignation of Directors during the year under review.

ii. **Directors Retiring by Rotation**

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

iii. **Appointment of Whole-time Key Managerial Personnel:**

Mr. Adbhut Shankar Pathak has been appointed as the Interim Chief Financial Officer and Whole-time Key Managerial Personnel w.e.f 1st April ,2019, by the Board in its meeting held on 1st February, 2019 as recommended by the Nomination & Remuneration Committee of the Company, pursuant to the provisions of Section 203 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force.

DECLARATION OF INDEPENDENT DIRECTORS

All Independent Directors have declared that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

SHRIRAM CREDIT COMPANY LTD.

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

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

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

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

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

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

The Company has in place a Nomination & Remuneration Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. Thus Ind AS is applicable to your Company w.e.f. 1st April, 2018 and the Accounts have been prepared accordingly. The financial statement for financial year 2017-18 has been re-grouped/revised to make it comparable with the financial statement for 2018-19.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of the following members:

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

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

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

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BOARD MEETINGS

During the year under review, the Board of Directors met 4 times respectively on 28th April, 2018, 10th August, 2018, 2nd November, 2018 and 1st February, 2019.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

The Company has six subsidiary companies as on 31st March 2019, namely Shriram Asset Management Company Ltd. (SAMCL), Shriram Insight Share Brokers Ltd. (SISBL), Shriram Fortune Solutions Ltd. (SFSL), Shriram Financial Products Solutions (Chennai) Pvt. Ltd. Shriram Wealth Advisors Ltd (SWAL) and Insight Commodities & Futures Private Limited (Subsidiary of Shriram Insight Share Brokers Limited). .

a. **Shriram Asset Management Company Limited**- The Company during the year under review posted total income of Rs.5,09,95,151/- and a loss of Rs.1,65,69,285/- as compared to the total income of Rs.3,44,37,921/- and a loss of Rs. 36,97,522/- during the preceding year.

b. **Shriram Financial Products Solutions (Chennai) Private Limited**- The Company during the year under review posted total income of Rs. 68,66,53,290/- and a Net Profit after Tax of Rs.1,35,48,226/- as compared to the total income of Rs. 87,22,33,994/- and a Net Profit after Tax of Rs.2,25,36,196/- earned during the last year.

c. **Shriram Fortune Solutions Limited**- The Company during the year under review posted total income of Rs. 108,58,03,598/- and Loss of Rs.56,01,913/- as compared to total income and Net Profit after Tax of Rs. 99,09,57,721/- and Net Profit of Rs. 2,21,58,132/- respectively in the previous year.

d. **Shriram Insight Share Brokers Limited**- The Company during the year under review had earned a total income of Rs.56,79,57,912/- and a Net Profit after Tax Rs.9,25,99,633/- of as compared to the total income of Rs. 67,48,30,112/- and a Net Profit after Tax Rs. 13,28,97,119/- earned during the last year.

e. **Shriram Wealth Advisors Limited**- The Company during the year under review posted total Company has earned a total income of Rs. (35466/-) and a loss of Rs.1,78,92,406/- as compared to the total income of Rs. 24,61,852/- and a loss of Rs. 1,56,96,138/- during the preceding year.

f. **Insight Commodities & Futures Private Limited** - The Company during the year under review posted total Company has earned a total income of Rs.1,18,26,340/- and a profit/loss of Rs.63,86,698/- as compared to the total income of Rs. 1,20,92,775/- and a profit/loss of Rs. 32,85,665/- during the preceding year.

During the year, none of the Company has become or ceased to be subsidiary, joint venture or associate company.

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

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DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

The Company has put in place adequate internal financial controls commensurate with the size of the Company.

RELATED PARTY TRANSACTIONS

All the transactions entered into by the Company with the related parties are in the ordinary course of its business and on arm's length basis. None of the related party transactions entered into by the Company were in conflict with the Company's interest. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

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

AUDITORS

The term of M/s G.D.Apte & Co. [Firm Registration Number 100515W], Chartered Accountants ended with the conclusion of audit for the financial year 2016-17. After conducting a detailed evaluation, the Board approved the proposal for appointment of M/s K.S.Aiyer & Co, Chartered Accountants [FRN: 100186W] as Statutory Auditors of the Company for a term of 5 years from the financial year 2017-18 onwards on such terms and conditions and remuneration as may be fixed by the Board in consultation with the Auditors. The said appointment was approved by the members of the Company at the 37th Annual General Meeting of the Company held on 11th August, 2017.

Further, the Ministry of Corporate Affairs vide its notification dated May 7, 2018 has been done away with the requirement of seeking ratification of appointment of statutory auditors by members at each Annual General Meeting. Accordingly, no such item has been considered in notice of the 24th Annual General Meeting.

QUALIFICATIONS IN AUDIT REPORTS

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

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

There were no frauds reported by auditors in their report.

CORPORATE SOCIAL RESPONSIBILITY

Our CSR Committee consist of the following directors as its Members as on 31st March 2019:

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

Members may kindly note that the Company is not falling under the criteria prescribed under Section 135(1) of the Companies Act, 2013 for the past three financial years and hence the provisions of Section 135(2) to Section 135(5) of the Companies Act, 2013 cease to apply to the Company. Accordingly, the disclosure in terms of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the Company.

RISK MANAGEMENT POLICY

Risk Management is an ongoing process. The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. The Company has in place a Risk Management Policy, commensurate with its size of operations, which lays down a process for identification and mitigation of risks that could materially impact its performance.

PARTICULARS OF EMPLOYEES

There were no employees of the Company who received remuneration in excess of the limits prescribed under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DISCLOSURES ON "CORPORATE GOVERNANCE"

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

Particulars of Remuneration of MD – Mr Akhilesh Kumar Singh	Amount for FY 18-19 (in Rs.)
Gross Salary	
Incentives	94,61,666
Bonus	-
Perquisites	-
Leave Encashment paid in FY 18-19	-
Contribution to PF	-
Shares held by MD	-
	NIL

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

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

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is enclosed in Form MGT 9 as **"Annexure B"**, which forms part of the Directors' Report. . Since the Company doesn't own a website in its name, hence the extract of annual return in Form MGT 7 is not required to be placed in the website as required under Section 134(3)(a) of the Companies Act, 2013.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

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

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

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

STATEMENT OF COMPLIANCE OF SECRETARIAL STANDARDS

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board	**For and on behalf of the Board**
Akhilesh Kumar Singh	**D.V.Ravi**
Managing Director	**Director**
DIN: 00421577	DIN: 00171603

Date: May 15, 2019
Place: Chennai

Annexure 'A' to Directors' Report

FORM NO. AOC-2

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

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

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

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which were not at arm's length basis.

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

   There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2019 crossing the materiality threshold of 10% of the annual consolidated turnover of the Company. The details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2019 are as follows:

Name of the Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount (in ₹)
Shriram Ownership Trust	Promoter Group	01/09/2017 To 31/03/2023	Royalty Expenses (artistic work on labels, letterhead, commercial literature, use of Intellectual Property)	Rs. 3,37,874/-
Shriram Insight Share Broker Limited	Subsidiary Company	Agreement subject to termination	i) Reimbursed on actual basis based on evidence made available for cost incurred.	i)Reimbursement of Expenses- ₹14,30,000/- ii) DP charges- ₹4,385/-
Shriram Assets Management Company Ltd.	Subsidiary Company	01/04/2018 To 31/03/2021	Infraspace Sharing Agreement	NIL

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

❖ **Amount paid as advances, if any:** NIL

For and on behalf of the Board

Akhilesh Kumar Singh
Managing Director
DIN: 00421673

Date: May 15, 2019
Place: Chennai

Annexure B to Directors' Report

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st MARCH 2019 of

SHRIRAM CREDIT COMPANY LTD

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

I. REGISTRATION AND OTHER DETAILS:

i)	**CIN:**	U65993TN1980PLC008215
ii)	**Registration Date:**	10.04.1980
iii)	**Name of the Company:**	SHRIRAM CREDIT COMPANY LTD.
iv)	**Category/ Sub Category of the Company:-**	Public Company/Limited by Shares
v)	**Address of the Registered Office and contact details**	Shriram House, No.4, Burkit Road, T.Nagar,Chennai-600017 Email id: gupta@shriram.com
vi)	**Whether listed company (YES / NO)**	NO
vii)	**Name, Address and Contact Details of Registrar and Transfer Agent, if any :**	**Shriram Insight Share Brokers Limited** **Corp. Office Address:** **CK 5, Sector II, Salt Lake City,** **Kolkata – 700091** **Email: sect@shriram.com**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Loan Against Shares	99711390	78.59%
2	Management Consultancy Services	99831120	10.50%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

[No. of Companies for which information is being filled] -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Shriram Capital Ltd. Shriram House No.4, Burkit Road, T.Nagar, Chennai- 600017	U65993TN1974PLC006588	HOLDING	99.64	2(87)(ii)
2.	Shriram Asset Management Company Ltd. Wockhardt Towers, 2nd Floor, East Wing,C – 2, G – Block, Bandra Kurla Complex,Bandra (East), Mumbai – 400 051	L65991MH1994PLC079874	SUBSIDIARY	68.67	2(87)(ii)
3.	Shriram Fortune Solutions Ltd. 123 Anpapan Naicken Street, Chennai-600001	U74210TN1987PLC014963	SUBSIDIARY	95.81	2(87)(ii)

SHRIRAM CREDIT COMPANY LTD.

SHRIRAM CREDIT COMPANY LTD.

4.	Shriram Insight Share Brokers Ltd. Mookambika Complex, 4 Lady Desika Road, Mylapore, Chennai-600004	U67120TN1995PLC031813	SUBSIDIARY	89.99	2(87)(ii)
5.	Shriram Wealth Advisors Ltd. 123 Anpapan Naicken Street, Chennai-600001	U67190TN2008PLC067747	SUBSIDIARY	80.00	2(87)(ii)
6.	Shriram Financial Products Solutions (Chennai) Pvt. Ltd. Greams Dugar, 4th Floor, No.149, Greams Road, Chennai-600006	U67100TN2011PTC079652	SUBSIDIARY	100.00	2(87)(ii)
7	Insight Commodities & Futures Private Limited*	U72900TN2003PTC052152	SUBSIDIARY*	99.97	2(87)(ii)

* Subsidiary of Shriram Insight Share Brokers Limited

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3746629	20230640	23977269	99.64	3746629	20230640	23977269	99.64	0.00
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other…	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	3746629	**20230640**	**23977269**	**99.64**	3746629	**20230640**	**23977269**	**99.64**	**0.00**
2) Foreign									
a) NRIs – Individual	-	-	-	-	-	-	-	-	-
b) Other– Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**3746629**	**20230640**	**23977269**	**99.64**	**3746629**	**20230640**	**23977269**	**99.64**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Co.	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual	-	-	-	-	-	-	-	-	0.00
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	1240	1240	0.00	-	1240	1240	0.00	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Firm)	-	84620	84620	0.36	-	84620	84620	0.36	-
Sub-Total B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	-	**85860**	**85860**	**0.36**	-	**85860**	**85860**	**0.36**	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+B)	-	**24063129**	**24063129**	**100.00**	-	**24063129**	**24063129**	**100.00**	-

(ii)***Shareholding of Promoters***

Sl No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Share holding at the end of the year**			**% change in share holding during the year**
		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	23,977,269	99.64	NIL	23,977,269	99.64	NIL	0.00
	TOTAL	**23,977,269**	**99.64**	NIL	**23,977,269**	**99.64**	NIL	**0.00**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	**SHRIRAM CAPITAL LIMITED**	**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	23,977,269	99.64	**23,977,269**	**99.64**
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer /bonus/ sweat equity etc):	NO CHANGE IN SHAREHOLDING			
	At the end of the year	23,977,269	99.64	**23,977,269**	**99.64**

SHRI RAM CREDIT COMPANY LTD.

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(iv) ***Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and GDRs): There are no changes in top ten shareholders***

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Bhavani Thyagarajan (for Shriram Investments)	84,620	0.36	84,620	0.36
	AT THE END OF THE YEAR	**84,620**	**0.36**	**84,620**	**0.36**
2.	A.L. Meenakshi Sundaram	420	0.00	420	0.00
	AT THE END OF THE YEAR	**420**	**0.00**	**420**	**0.00**
3.	M.R.Vijaya	300	0.00	300	0.00
	AT THE END OF THE YEAR	**300**	**0.00**	**300**	**0.00**
4.	P. Meenakshi	300	0.00	300	0.00
	AT THE END OF THE YEAR	**300**	**0.00**	**300**	**0.00**
5.	R.Sankaranarayanan	180	0.00	180	0.00
	AT THE END OF THE YEAR	**180**	**0.00**	**180**	**0.00**
6	A Annamalai	20	0.00	20	0.00
	AT THE END OF THE YEAR	**20**	**0.00**	**20**	**0.00**
7	C Padma Devi	20	0.00	20	0.00
	AT THE END OF THE YEAR	**20**	**0.00**	**20**	**0.00**

(v) ***Shareholding of Directors and Key Managerial Personnel:*** None of the Directors/KMP holds shares in the Company

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)				
Change in Indebtedness during the financial year □□Addition □□Reduction	NIL	NIL	NIL	NIL
Net Change				
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL

i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of the Managing Director- Mr. Akhilesh Kumar Singh	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	94,61,666	94,61,666
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	
	Total (A)		
	Ceiling as per the Act	**120,00,000 as per Schedule V of the Act**	**120,00,000**

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Mohan Natarajan	Saleem K.Ali	Total Amount (Rs.)
1.	Independent Directors □□Fee for attending board / committee meetings □□Commission □□Others, please specify	1,48,000	1,15,000	2,63,000
	Total (1)	**1,48,000**	**1,15,000**	**2,63,000**
2.	Other Non-Executive Directors □□Fee for attending board / committee meetings □□Commission □□Others, please specify	-	-	-
	Total (2)	-	-	-
	Total Managerial Remuneration (B)= (1)+(2)	**1,48,000**	**1,15,000**	**2,63,000**
	Overall Ceiling as per the Act	Independent Directors are not being paid remuneration except sitting fees which is within the limits prescribed under the Act.		

SHRIRAM CREDIT COMPANY LTD.

SHRIRAM CREDIT COMPANY LTD.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO*	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3,34,750	-	**3,34,750**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	23,806	-	**23,806**
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify…	-		-	-
5	Others, please specify (EPF)	-	16,164	-	16,164
	Total	-	**3,74,720**	-	**3,74,720**

****Mr. Adbhut Shankar Pathak has been appointed w.e.f 1st April, 2019, hence the figures are not stated.***

VII. 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	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board

Akhilesh Kumar Singh
Managing Director
DIN: 00421577

For and on behalf of the Board

D.V.Ravi
Director
DIN: 00171603

Date: May 15, 2019
Place: Chennai

K. S. AIYAR & CO
CHARTERED ACCOUNTANTS

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Kolkata 700 017 India
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Kolkata@KSAiyar.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Shriram Credit Company Limited

Report on the Standalone Ind AS Financial Statements

1. Opinion

We have audited the accompanying standalone Ind AS financial statements of Shriram Credit Company Limited ("*the Company*") which comprises the Balance Sheet as at March31,2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manners or equired and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March31,2019, and profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section143(10) of the Companies Act,2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India togetherwith the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act,2013 and the Rules 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.

3. Key Audit Matters

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

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Offices also at
Mumbai Chennai
Bengaluru Coimbatore Hyderabad

a) Going forward, substantial improvement is required in collection of data towards guarantees obtained in respect of borrowers. It is necessary that the comppany should possess updated information with respect to the guarantors net worth. Information presently available are not accurate.
b) The company's process regarding review of unsecured loans need to be revisited for ensuring appropriate debt servicing and recoverabilty. A strengthing of credit sanctioning and monitoring process is suggested for better internal control in this respect.

4. Transition to Indian Accounting Standards

The company has adopted IND AS notified under section 133 of the Companies Act 2013 ("the Act") read with Companies (Indian Accounting Standards) Rule 2015 from April 01, 2018 and the effective date of such transition is April 01, 2017.

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

The Company's Board of Directors is responsible for the matters stated in section134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with Division III of Schedule III of the Act as applicable to Non-banking Financial Companies as defined in the Companies (Indian Accounting Standards) (Amendment) Rules 2016 and the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section133of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continueas 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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or

K. S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

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

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

7. Other Matters

Attention is drawn to:

a) Note No.11 regarding non availability of information on the net worth of the guarantors and Note No. 29(i) regarding write off of Rs. 276,75,855/- for the reasons described therein.
b) Note No.4 regarding investment in Shriram Wealth Advisory Limited.

8. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section143(3) of the Act, we report that:

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

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

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"

K.S. AIYAR & CO. CHARTERED ACCOUNTANTS KOLKATA

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 Ind AS financial statements.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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

S. Ghosh
Partner
Membership No.: 050927

K.S.AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

Place: Kolkata
Date: 16.05.2019

Annexure A

Responsibilities for Audit of Standalone Ind AS Financial Statement

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks , and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and , based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continueas a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

K. S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

S. Ghosh
Partner
Membership No.: 050927

Place: Kolkata
Date: 16.05.2019

K. S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

Annexure - B

Referred to in Paragraph 8 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the year ended March 31, 2019.

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

(b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company does not hold any inventory during the year accordingly, the provisions of paragraph 3(ii) of the Order, are not applicable to the Company.

(iii) As per the books of accounts and records examined and the information and explanations given to us, the Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Act except to its subsidiaries Shriram Insight Share Brokers Limited for Rs. Nil where the terms are not prejudicial to the interest of the company (Maximum amount outstanding Rs.7,80,00,000/-) and Shriram Wealth Advisors Limited for Rs 1,00,98,761/- where the terms are not prejudicial to the interest of the company (Maximum amount outstanding Rs 1,01,65,558/-). However, attention is drawn to Note No.4 regarding company's exposure in Shriram Wealth Advisors Limited.

(iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect to the loans and investments made and guarantees and securities given.

(v) The Company has not accepted any deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, and other undisputed statutory dues, as applicable, have been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax; value added tax, duty of customs, duty of excise and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax and other statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us there are no dues in respect of sales tax, service tax, duty of customs, duty of excise and value added tax, GST which have not been deposited with the appropriate authorities on

K.S.AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS account of any dispute. In respect of income tax, details of disputed dues not deposited are as under:

Name of the Statute	Nature of dues	Amount (in Rupees)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	10,63,973	AY 2002-03	ITAT
Income Tax Act, 1961	Income Tax Demand	53,848	AY 2008-09	ITAT
Income Tax Act, 1961	Income Tax Demand	93,280	AY 2010-11	Jurisdiction Assessing Officer
Income Tax Act, 1961	Income Tax Demand	47,31,130	AY 2012-13	ITAT
Income Tax Act, 1961	Income Tax Demand	1,84,41,310	AY 2014-15	CIT (A)
Income Tax Act, 1961	Income Tax Demand	61,80,840	AY 2015-16	CIT (A)

(viii) The Company has not defaulted in repayment of dues to bank. Further, the Company has not borrowed any funds from financial institutions, government or debenture holders.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our

K.S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) As per the information given to us, the Company, as required, is registered under section 45-IA of the Reserve Bank of India Act 1934.

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

S.Ghosh
Partner
Membership No.: 050927

K.S.AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

Place: Kolkata
Date: 16.05.2019

Annexure – C

Referred to in Paragraph 8 (f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the year ended March 31, 2019.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

K. S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

Subject to our observations in Key Audit Matters, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.Ghosh
Partner
Membership No.: 050927
Place: Kolkata
Date: 16.05.2019

K.S.AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

SHRIRAM CREDIT COMPANY LIMITED
Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
CIN : U65993TN1980PLC008215
Balance Sheet as on 31st March 2019

	Particulars	Note No.	Amount (in Rs.) As on 31st March 2019	Amount (in Rs.) As on 31st March 2018
I	**ASSETS**			
(1)	**Financials Assets**			
	(a) Cash and Cash Equivalents	2	22,806,947	6,966,148
	(b) Loans	3	288,252,045	416,139,753
	(c) Investments	4	671,096,188	550,149,276
			982,155,180	**973,255,177**
(2)	**Non Financial Assets**			
	(a) Current tax assets (Net)	5	17,290,067	15,541,285
	(b) Deferred Tax Assets (Net)	6	2,520,634	-
	(c) Property, Plant & Equipment	7	203,874,520	206,023,219
	(d) Other non- financial assets	8	4,872,505	15,680,152
			228,557,726	**237,244,656**
	Total Assets		**1,210,712,906**	**1,210,499,833**
II	**LIABILITIES AND EQUITY**			
	LIABILITIES			
(1)	**Financial Liabilities**			
	(a) Payables			
	(I) Trade Payables			
	(i) total outstanding dues of creditors other than micro enterprises and small enterprises	9	197,548	197,441
			197,548	**197,441**
(2)	**Non Financial Liabilities**			
	(a) Current Tax Liabilities (Net)	10	7,778	6,604
	(b) Provisions	11	4,398,697	1,408,693
	(c) Deferred Tax Liabilities (Net)	6	-	893,047
	(d) Other Non- Financial Liabilities	12	1,454,581	2,124,549
(3)	**EQUITY**			
	(a) Equity Share Capital	13	240,631,290	240,631,290
	(b) Other Equity	14	964,023,012	965,238,209
			1,210,515,358	**1,210,302,392**
	Total Liability & Equity		**1,210,712,906**	**1,210,499,833**
	Significant Accounting Policies	1		
	The notes referred to above form an integral part of the financial statements			

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

S. Ghosh
Partner
Membership No. 050927

Place : Kolkata
Date: 16th May 2019

K.S. AIYAR & CO. CHARTERED ACCOUNTANTS KOLKATA

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

Akhilesh Kumar Singh
Managing Director
DIN: 00421577

D V Ravi
Director
DIN : 00171603

Adbhut Shankar Pathak
Chief Financial Officer

Trina Nandi
Company Secretary

Place : Chennai
Date : 15th May 2019

SHRIRAM CREDIT COMPANY LIMITED
Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
CIN : U65993TN1980PLC008215
Statement of Profit and Loss for the period ended 31st March 2019

		Particulars	Note	Amount (in Rs.) For the Year ended March 31, 2019	Amount (in Rs.) For the year ended March 31, 2018
		Revenue From Operations			
	(i)	Interest Income	15	52,394,380	58,616,937
	(ii)	Dividend Income	16	2,754,169	2,418,919
	(iii)	Net Gain on Fair value changes	17	(12,197,681)	242,672
	(iv)	Others	18	11,521,479	14,729,844
(I)		**Total Revenue from Operations**		**54,472,347**	**76,008,372**
(II)		Other Income		-	-
(III)		**Total Income (I+II)**		**54,472,347**	**76,008,372**
		Expenses			
	(i)	Employee Benefits Expenses	19	10,991,399	9,749,650
	(ii)	Depreciation, amortization and Impairment	7	2,148,700	2,149,593
	(iii)	Other Expenses	20	7,287,652	9,157,533
	(iv)	Provisions and Write offs	21	30,665,859	38,774,998
(IV)		**Total Expenses (IV)**		**51,093,610**	**59,831,774**
(V)		**Profit/(loss) before exceptional items and tax (III-IV)**		**3,378,737**	**16,176,598**
(VI)		Exceptional items		-	-
(VII)		**Profit/(loss) before tax (V-VI)**		**3,378,737**	**16,176,598**
(VIII)		Tax Expenses			
		(a)Current Tax		5,234,990	-
		(b) Deferred Tax	6	(3,413,681)	7,045,071
		(c) Earlier Year Tax		-	2,023,115
		Total Tax Expenses		**1,821,309**	**9,068,186**
(IX)		**Profit/(Loss) for the period from continuing operations (VII-VIII)**		**1,557,428**	**7,108,412**
(X)		**Earning per Equity Share (for Continuing operations)**			
		(1) Basic (in ₹.)		**0.06**	**0.30**
		(2) Diluted (in ₹.)		**0.06**	**0.30**
		Significant Accounting Policies	1		
		The notes referred to above form an integral part of the financial statements			

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

S. Ghosh
Partner
Membership No. 050927

K.S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

Place : Kolkata
Date: 16th May 2019

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

Akhilesh Kumar Singh
Managing Director
DIN: 00421577

D V Ravi
Director
DIN : 00171603

Adbhut Shankar Pathak
Chief Financial Officer

Trina Nandi
Trina Nandi
Company Secretary

Place : Chennai
Date : 15th May 2019

SHRIRAM CREDIT COMPANY LIMITED

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

CIN : U65993TN1980PLC008215

Standalone Cash Flow Statement for the Year ended 31st March 19

Amount in '₹'

	Particulars	As on 31st March 2019	As on 31st March 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before Tax	3,378,737	16,176,598
	Interest Income on Bank deposits	-	-
	Dividend Income	(2,754,169)	(2,418,919)
	Interest Income on NCD	-	(769,656)
	Provisions & Write offs	2,990,004	38,774,998
	Profit on sale of current investments	(4,468,996)	(4,629,014)
	Depreciation	2,148,700	2,149,593
	Unrealized Profit on MF	12,197,681	(242,672)
	Operating profit before change in working capital	**13,491,957**	**49,040,929**
	Movements in Working Capital:		
	Decrease / (Increase) in Loans	127,887,708	229,356,705
	Decrease / (Increase) in Other current assets	10,807,647	(6,447,094)
	Increase / (Decrease) in Trade Payables	108	(321,429)
	Increase / (Decrease) in Other current liabilities	(668,794)	(3,570,271)
	Increase / (Decrease) in Provisions	(2,772,626)	(61,570,611)
	Net cash from / (used in) operating activities	148,745,999	206,488,228
	Direct taxes paid	(6,983,773)	(17,564,400)
	Net Cash from / (used in) operating activities	**141,762,227**	**188,923,828**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Investment in Subsidiaries	-	-
	Net sale / Purchase of Investments	(128,675,597)	(195,905,174)
	Interest Received on NCD	-	769,656
	Purchase of Fixed Assets	-	-
	Dividend Received	2,754,169	2,418,919
	Net Cash from / (used in) in investing activities	**(125,921,428)**	**(192,716,599)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Unsecured borrowings (net)		-
	Dividend Paid	-	-
	Interest paid	-	-
	Net Cash from / (used in) Financing activities	-	-
	Total increase/(decrease) in cash and cash equivalents (A+B+C)	15,840,799	(3,792,771)
	Cash and Cash equivalents as at the beginning of the year	6,966,148	10,758,920
	Cash and Cash equivalents as on 31st March,2019	**22,806,947**	**6,966,150**
D	**Components of Cash and Cash Equivalents**		
	Cash and Cash Equivalents at the end of the period		
	i) Cash on hand	56,725	4,060
	iii) Balances with scheduled banks in Current accounts	22,750,222	6,962,088
	Total cash and cash equivalents (Note 2)	**22,806,947**	**6,966,148**

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

S. Ghosh
Partner
Membership No. 050927

Place : Kolkata
Date: 16th May 2019

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

Akhilesh Kumar Singh
Managing Director
DIN : 00421577

D V Ravi
Director
DIN : 00171603

Adbhut Shankar Pathak
Chief Financial Officer

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Company Secretary

Place : Chennai
Date : 15th May 2019

SHRIRAM CREDIT COMPANY LIMITED
Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
CIN : U65993TN1980PLC008215
Statement of Changes in Equity for the Period Ended 31st March 19

A. Equity Share Capital

Particulars	Amount in ₹
Balance as at 1st April 2017	**240,631,290**
Changes in equity share capital during the year	-
Balance as at 31st March 2018	**240,631,290**
Changes in equity share capital during the Quarter	-
Balance as at 31st March 2019	**240,631,290**

B. Other Equity

Amount in ₹

Particulars	Reserves and Surplus					Total
	Capital Reserve	Statutory Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 1 April 2017	**2,500,000**	**91,075,195**	**733,652,590**	**1,527,107**	**138,049,914**	**966,804,806**
Total Transfer for the year (2017-2018)		1,589,024			(1,589,024)	-
Total Comprehensive Income for the year (2017-2018)	-	-	-	-	7,108,412	7,108,412
Retained earnings adjustment for the year (2017-2018)	-	-	-	-	(8,675,007)	(8,675,007)
Add: Other Comprehensive Income	-	-	-	-	-	-
Balance as at 31st March 2018	**2,500,000**	**92,664,219**	**733,652,590**	**1,527,107**	**134,894,294**	**965,238,210**
Transfer for the period ended March 2019	-	**311,486**	-	-	(311,486)	-
Total Comprehensive Income for the period ended 31st March 2019	-	-	-	-	1,557,429	1,557,429
Adjustment against Retained Earnings	-	-	-	-	(2,772,626)	(2,772,626)
Balance as at 31st March 2019	**2,500,000**	**92,975,705**	**733,652,590**	**1,527,107**	**133,367,611**	**964,023,012**

SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

1. Corporate Information

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

2. Basis of preparation

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

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

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

3. Presentation of financial statement

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

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

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

4. Statement of compliance

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

K. K. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

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5. Significant accounting policies

5.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

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

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(ii) Financial assets measured at amortised cost

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

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

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

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

Debt instruments

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

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

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss.

Equity instruments

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

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

K.S. AIYAR & CO. CHARTERED ACCOUNTANTS KOLKATA

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(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

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

Financial instruments held for trading

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

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

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

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

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

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

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

(v) Debt securities and other borrowed funds

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

(vi) Financial guarantees

K.S. AIYAR & CO. CHARTERED ACCOUNTANTS KOLKATA

SHRIRAM CREDIT COMPANY LTD.

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SHRIRAM CREDIT COMPANY LTD.

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

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

(vii) Reclassification of financial assets and liabilities

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

(viii) 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.

(ix) Impairment of financial assets

Overview of the ECL principles

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss as outlined in Note 24).

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Loans, Secured loans against Shares and Property.

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

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

Stage 1

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

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired 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.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;
c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;

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

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note XX.

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 XX.

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 XX.

Forward looking information
While estimating the expected credit losses, the Company reviews macro-economic developments/ natural calamities occurring in the market it operates in. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such trends/events reasonably.
If an event warrants a provision higher than as mandated under ECL methodology, the Company may make the same.

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

SHRIRAM CREDIT COMPANY LTD.

K.S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

SHRI RAM CREDIT COMPANY LTD.

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(xi) Determination of fair value

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

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

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

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

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

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

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

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

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

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

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

SHRI RAM CREDIT COMPANY LTD.

K.S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

SHRI RAM CREDIT COMPANY LTD.

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SHRI RAM CREDIT COMPANY LTD.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Day 1 profit or loss

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

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

5.2Revenue 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. Byconsidering all the contractual terms of the financial instrument in estimating the cash flows
c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

(ii) Dividend Income

Dividend income is recognised

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

(iii) Rental Income

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

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

(iv) Fees & Commission Income

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

Step 1: Identify contract(s) with a customer
Step 2: Identify performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

(v) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note ____), held by the Company on the balance sheet date is recognised as anunrealisedgain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes"under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.
However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.
Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL presented separately under the respective head in the Statement of Profit and Loss.

5.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities.
The EIR in case of a financial liability is computed

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.

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

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund Scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
The Company fully contributes all ascertained liabilities to The Trustees - Shriram Credit Company Ltd Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with Life Insurance Corporation of India , the IRDA approved Insurance Company.

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

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

(iii) Rent Expense:
Identification of Lease:
The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Recognition of lease payments:
Rent Expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.
Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

(iv) Other income and expenses
All Other income and expense are recognized in the period they accrue.

(v) Impairment of non-financial assets

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

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

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

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Minimum Alternate Tax (MAT)

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

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

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

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

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

5.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

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

Conversion:

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

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

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5.5Cash and cash equivalents

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

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

5.6 Property, plant and equipment

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

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

Depreciation

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

5.7 Intangible assets

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

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

5.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs. For transition to Ind AS, the company has elected to adopt as deemed cost, the carrying value of investment property as per Indian GAAP less accumulated depreciation and cumulative impairment (if any) as on the transition date of April 1, 2017.

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

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

5.9 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

5.10 Contingent Liabilities

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

5.11 Earning Per Share

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

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

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6. Significant accounting judgements, estimates and assumptions

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

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

6.1 Business Model Assessment

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

6.2 Defined employee benefit assets and liabilities

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

6.3 Fair value measurement:

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

6.4 Impairment of loans portfolio

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

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

6.5 Contingent liabilities and provisions other than impairment on loan portfolio

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

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

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

6.6 Effective Interest Rate (EIR) method

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

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

6.7 Other estimates:

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

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7. First time adoption

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

Exemptions applied

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

7.1 Investment in Subsidiaries, associates

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

7.2 Lease arrangements

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

7.3 Property, plant, equipment & intangible assets

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at 31 March 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on 1st April 2017.

7.5 Designation of previously recognised financial instruments

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

7.6 Fair value measurement of financial assets or financial liabilities at initial recognition

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

7.7 Investment Property:

For transition to Ind AS, the company has elected to adopt as deemed cost, the carrying value of investment property as per Indian GAAP less accumulated depreciation and cumulative impairment (if any) as on the transition date of April 1, 2017

7.8 Estimates

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

7.9 Classification and measurement of financial assets

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

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3. Loans

Loans	As on 31st March 2019						As on 31st March 2018					
		At Fair Value						At Fair Value				
	Amortized Cost	Through Other Comprehensive Income	Through Profit & Loss	Designed at Fair Value through Profit & Loss Account	Subtotal	Total	Amortized Cost	Through Other Comprehensive Income	Through Profit & Loss	Designed at Fair Value through Profit & Loss Account	Subtotal	Total
	(7)	(8)	(9)	(10)	(11= 8+9+10)	(12= 7+11)	(13)	(14)	(15)	(16)	(17= 14+15+16)	(18= 13+17)
(A)												
(i) Bills Purchased and Bills Discounted	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Loan Repayable on Demand	-	-	-	276,698,784	276,698,784	276,698,784	-	-	-	352,250,253	352,250,253	352,250,253
(iii) Term Loans	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-
(v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others										-	-	-
- Loans and Advances to subsidiaries	-	-	-	10,098,761	10,098,761	10,098,761	-	-	-	61,000,000	61,000,000	61,000,000
- Advances recoverable in Cash or kind	-	-	-	1,454,500	1,454,500	1,454,500	-	-	-	2,889,500	2,889,500	2,889,500
Total (A)- Gross	-	-	-	**288,252,045**	**288,252,045**	**288,252,045**	-	-	-	**416,139,753**	**416,139,753**	**416,139,753**
Less: Impairment Loss Allowance										-		
Total (A)- Net	-	-	-	**288,252,045**	**288,252,045**	**288,252,045**	-	-	-	**416,139,753**	**416,139,753**	**416,139,753**
(B)												
(i) Secured by Tangible Assets												
- Performing Assets				241,644,719	241,644,719	241,644,719	-	-	-	325,005,644	325,005,644	**325,005,644**
- Non Performing Assets				17,845,316	17,845,316	17,845,316	-	-	-	-	-	-
(ii) Secured by Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured *	-	-	-	-	-	-	-	-	-	-	-	-
- Loans and Advances to Borrowers (other than related Party)												
- Performing Assets				760,228	760,228	760,228	-	-	-	27,244,609	27,244,609	**27,244,609**
- Non Performing Assets				16,448,521	16,448,521	16,448,521	-	-	-	-	-	-
- Loans and Advances to subsidiaries												
- Performing Assets				10,098,761	10,098,761	10,098,761	-	-	-	61,000,000	61,000,000	**61,000,000**
- Non Performing Assets				-			-	-	-	-		-
- Advances recoverable in Cash or kind	-	-	-	1,454,500	1,454,500	1,454,500	-	-	-	2,889,500	2,889,500	2,889,500
Total (B)- Gross	-	-	-	**288,252,045**	**288,252,045**	**288,252,045**	-	-	-	**416,139,753**	**416,139,753**	**416,139,753**
Less: Impairment Loss Allowance	-	-	-	-	-	-				-	-	-
Total (B)- Net	-	-	-	**288,252,045**	**288,252,045**	**288,252,045**	-	-	-	**416,139,753**	**416,139,753**	**416,139,753**
(C)												
(I) Loans in India												
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others												
- Private Sector	-	-	-	288,252,045	288,252,045	288,252,045	-	-	-	416,139,753	416,139,753	416,139,753
Total (C) (I)- Gross	-	-	-	**288,252,045**	**288,252,045**	**288,252,045**	-	-	-	**416,139,753**	**416,139,753**	**416,139,753**
Less: Impairment Loss Allowances				-	-	-				-	-	-
Total (C) (I) - Net	-	-	-	**288,252,045**	**288,252,045**	**288,252,045**	-	-	-	**416,139,753**	**416,139,753**	**416,139,753**
(II) Loans Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II)- Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment Loss Allowances	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II) - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)(I) and C(II)	-	-	-	**288,252,045**	**288,252,045**	**288,252,045**	-	-	-	**416,139,753**	**416,139,753**	**416,139,753**

* Unsecured Loans - Considered Good are backed by third party Guarantee. Read with Note 11

SHRIRAM CREDIT COMPANY LIMITED

4. Investments

Investments	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through Profit & Loss	At Fair Value: Designed at Fair Value through Profit & Loss Account	Subtotal	Others	Total	As on 31st March 2018 — At Fair Value: Through Other Comprehensive Income	Through Profit & Loss	Designed at Fair Value through Profit & Loss Account	Subtotal	Others	Total
	(1)	(2)	(3)	(4= 1+2+3)	(5)	(6=4+5)	(7)	(8)	(9)	(10= 7+8+9)	(11)	(12= 10+11)
Investments												
(A)												
(i) Mutual funds (Current Investment)	-	-	-	-	-	-	-	-	-	-	-	-
IDFC Daily Dividend	-	-	60,490,033	60,490,033	-	60,490,033	-	-	57,735,864	57,735,864	-	57,735,864
Shriram Hybrid Equity Fund	-	-	9,525,255	9,525,255	-	9,525,255	-	-	8,764,616	8,764,616	-	8,764,616
ICICI Prudential Fund	-	-	127,718,826	127,718,826	-	127,718,826	-	-	-	-	-	-
Invesco Mutual funs	-	-	3,171,792	3,171,792	-	3,171,792	-	-	-	-	-	-
Shriram Equity Debt fund	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Debt Securities (Current Investment)	-	-	-	-	-	-	-	-	-	-	-	-
Debentures- SCUF NCD	-	-	-	-	-	-	-	-	164,046	164,046	-	164,046
(iii) Equity Instruments (Non Current Investment)	-	-	-	-	-	-	-	-	-	-	-	-
- Unquoted at cost	-	-	-	-	-	-	-	-	-	-	-	-
Shriram Fortune Solutions Limited	-	-	90,000,000	90,000,000	-	90,000,000	-	-	90,000,000	90,000,000	-	90,000,000
Shriram Insight Share Brokers Limited	-	-	31,495,000	31,495,000	-	31,495,000	-	-	31,495,000	31,495,000	-	31,495,000
Shriram Financial Product Solutions (Chennai) P ltd	-	-	1,000,000	1,000,000	-	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
Shriram Seva Sankalp Foundation	-	-	140,000	140,000	-	140,000	-	-	140,000	140,000	-	140,000
Shriram Wealth Advisory Limited *	-	-	23,999,400	23,999,400	-	23,999,400	-	-	23,999,400	23,999,400	-	23,999,400
Less: Diminution in value of investments	-	-	(23,992,272)	(23,992,272)	-	(23,992,272)	-	-	(10,697,806)	(10,697,806)	-	(10,697,806)
- Quoted at cost	-	-	-	-	-	-	-	-	-	-	-	-
Shriram Asset Management Company Limited	-	-	67,548,156	67,548,156	-	67,548,156	-	-	67,548,156	67,548,156	-	67,548,156
(iv) Other Investments (Non Current Investment)						-	-	-			-	
Investments in Redeemable Non Convertible Pref. Shares	-	-	280,000,000	280,000,000	-	280,000,000	-	-	280,000,000	280,000,000	-	280,000,000
Total (A)- Gross	-	-	**671,096,188**	**671,096,188**	-	**671,096,188**	-	-	**550,149,276**	**550,149,276**	-	**550,149,276**
(B)												
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	-	-	671,096,188	671,096,188	-	671,096,188	-	-	550,149,276	550,149,276	-	550,149,276
Total (B)- Gross	-	-	**671,096,188**	**671,096,188**	-	**671,096,188**	-	-	**550,149,276**	**550,149,276**	-	**550,149,276**
Total (A) to be tallied with (B)												
Less: Allowances for Impairment Loss (C)	-	-	-	-	-	-	-	-	-	-	-	-
Total- Net D= (A)-(C)	-	-	671,096,188	671,096,188	-	671,096,188	-	-	550,149,276	550,149,276		550,149,276

***The Company is into Strategic Restructuring of its entire business. The plan is expected to be ready within coming 6 months. The management is therefore not contemplating permanent cessation of business and hence continuing to treat the company as going concern.**

K.S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

SHRI RAM CREDIT COMPANY LTD.

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SHRIRAM CREDIT COMPANY LIMITED

NOTES TO ACCOUNTS

2. Cash and Cash Equivalents

Particulars	As on 31st March 2019	As on 31st March 2018
Cash and cash equivalents		
i. Cash on Hand	56,725	4,060
ii. Balance with Scheduled banks in current account(s)	22,750,222	6,962,088
	22,806,947	6,966,148

5. Current tax assets (Net)

Particulars	As on 31st March 2019	As on 31st March 2018
Advance Income Tax (Net of Provisions)	17,290,067	15,541,285
	17,290,067	15,541,285

6. Deferred Tax Assets (Net)

Particulars	As on 31st March 2019	As on 31st March 2018
Opening balance	(893,047)	6,152,024
Add: Asset recognized during the period	3,413,681	(7,045,071)
Closing balance	2,520,634	(893,047)

8. Other Non Financial Assets

Particulars	As on 31st March 2019	As on 31st March 2018
Others	7,645,131	15,680,152
-Less: Non recoverable advances	(2,772,626)	-
	4,872,505	15,680,152

9. Trade Payables

Particulars	As on 31st March 2019	As on 31st March 2018
Sundry Creditor		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	197,548	197,441
	197,548	197,441

10. Current Tax Liabilities

Particulars	As on 31st March 2019	As on 31st March 2018
TDS Payable	7,778	6,604
	7,778	6,604

11. Provisions

Particulars	As on 31st March 2019	As on 31st March 2018
Provision on Standard asset	969,313	1,408,693
Provision for NPA *	3,429,384	-
	4,398,697	1,408,693

Amount due from Chandrakant Bhogilal Shah ₹ 1,64,48,521/- is considered NPA during the quarter ended 31st March 2019 as it has not been serviced beyond 90 days. A provison at the rate of 10% in accordance with IRAC norms amountig to ₹ 16,44,852/- was made. This outstanding loan is covered by third party guarantee, whose worth however, based on the available information, could not be accurately accertained. Company is continuing with its effort for either invocation of such guarantee and/or recovery.

12. Other non financial Liabilities

Particulars	As on 31st March 2019	As on 31st March 2018
Other payables	1,454,581	2,124,549
	1,454,581	2,124,549

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SHRIRAM CREDIT COMPANY LIMITED

7. Fixed Assets

Particulars	Property, Plant and Equipment				Intangible Assets
	Computer and Equipment	Office Equipment	Leasehold Land	Total Property, Plant and Equipment	Intangible Assets
Gross Block					
As at Apr 01, 2018	39,094	16,999	212,455,298	212,511,391	-
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
As at March 31, 2019	39,094	16,999	212,455,298	212,511,391	-
Depreciation					
As at Apr 01, 2018	37,496	12,636	6,438,039	6,488,171	-
Charge for the Period	720	1,966	2,146,013	2,148,700	-
Deletions	-	-	-	-	-
As at March 31, 2019	38,216	14,602	8,584,052	8,636,871	-
Net Block					
As at Mar 31, 2018	1,598	4,363	206,017,259	206,023,220	-
As at Mar 31, 2019	878	2,397	203,871,246	203,874,520	-

Depreciation and amortization	Period ended	
	Mar 31, 2019	Mar 31, 2018
On tangible assets	2,148,700	2,149,593
On intangible assets	-	-
Total	2,148,700	2,149,593

SHRIRAM CREDIT COMPANY LIMITED

13. Equity Share Capital

Particulars	As on 31st March 2019	As on 31st March 2018
Authorized 2,50,00,000 Equity Shares of Rs.10/- each (Previous year 2,50,00,000 Equity Shares of Rs.10/- each)	250,000,000	250,000,000
40,00,000 Compulsorily Convertible Preference Shares of Rs. 10/- each	40,000,000	40,000,000
(Previous year 40,00,000 Compulsorily Convertible Preference Shares of Rs.10/- each)		
	290,000,000	290,000,000
Issued, Subscribed and Paid -UP 2,40,63,129 Equity Shares of Rs.10/- each (Previous year : 2,40,63,129 Equity Shares of Rs.10/- each) Equity Shares held by Holding Company Shriram Capital Ltd. 2,39,77,269 Equity Shares of Rs.10/- each (Previous year 2,39,77,269	240,631,290	240,631,290
	240,631,290	240,631,290

a. Terms/rights attached to share holders

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

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

b. The details of the shareholders holding more than 5% shares are set out below

Name of the shareholder	As on 31st March 2019		As on 31st March 2018	
	No of Shares	% of holding in the class	No of Shares	% of holding in the class
Equity Shares Shriram Capital Limited (Equity Shares of ₹10/- each) (Previous year ₹ 10/- each)	23,977,269	99.64%	23,977,269	99.64%

c. The Reconciliation of the number of shares outstanding as at 31/03/2019 and 31/03/2018 is as follows.

Particulars	As on 31st March 2019		As on 31st March 2018	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at beginning	24,063,129	240,631,290	24,063,129	240,631,290
Add : Shares issued	-	-	-	-
No of shares at the end	**24,063,129**	**240,631,290**	**24,063,129**	**240,631,290**

14. Other Equity

Particulars	As on 31st March 2019	As on 31st March 2018
A. Capital Reserve	2,500,000	2,500,000
B. Statutory Reserve - at the beginning	92,664,219	91,075,195
Add: Transfer during the period	311,486	1,589,024
Statutory Reserve - at the end	92,975,704	92,664,219
C. Securities Premium Reserve - at the beginning	733,652,590	733,652,590
Add: Receipts during the period	-	-
Securities Premium Reserve - at the end	733,652,590	733,652,590
D. General Reserve	1,527,107	1,527,107
E. Surplus - At the beginning	134,894,294	138,049,914
a. IND AS Adjustment		
(i) Increase/(decrease) in value of Mutual Funds/NCD	-	3,021,945
(ii) Increase/(decrease) in value of Investment held in SWAL	-	(10,697,806)
(iii) Recognition of change in Deferred Tax Asset/(Liability)	-	(999,146)
b. Non adjustable old service tax input credit	(2,772,626)	-
c. Profit after tax transferred from Statement of Profit and Loss	1,557,428	7,108,411
d. Appropriations		
i. Transfer to Statutory Reserve	(311,486)	(1,589,024)
ii. Dividend Paid	-	-
Surplus - Balance at the end of the period	133,367,610	134,894,294
F. Total Reserves and Surplus (A+B+C+D+E)	964,023,012	965,238,209

SHRIRAM CREDIT COMPANY LIMITED

15. Interest Income

Particulars	For the Year ended March 31, 2019			For the year ended March 31, 2018		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortized Cost	Interest Income on Financial Assets Classified at fair value through Profit or Loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortized Cost	Interest Income on Financial Assets Classified at fair value through Profit or Loss
Interest On Loans	-	-	50,697,412	-	-	51,529,382
Interest Income from Investments	-	-	-	-	-	-
Other Interest Income						
From Subsidiary	-	-	1,696,968	-	-	7,087,555
Total	-	-	52,394,380	-	-	58,616,937

SHRIRAM CREDIT COMPANY LIMITED

16. Dividend Income

Particulars	For the Year ended March 31, 2019	For the year ended March 31, 2018
Dividend on Mutual Funds	2,754,169	2,418,919
Total	2,754,169	2,418,919

17. Net Gain on Fair value changes

Particulars	For the Year ended March 31, 2019	For the year ended March 31, 2018
Net Gain/(Loss) on financial instrument at Fair Value through profit & loss	(12,197,681)	242,672
Total	(12,197,681)	242,672

18. Other Income

Particulars	For the Year ended March 31, 2019	For the year ended March 31, 2018
Infra Support Services	7,000,000	8,500,000
Profit on sale of Investments (net)	4,468,996	4,629,014
Recovery from Drs. Previously written off as bad	52,483	40,260
Provision no longer required	-	1,560,570
Total	11,521,479	14,729,844

19. Employee Benefits Expenses

Particulars	For the Year ended March 31, 2019	For the year ended March 31, 2018
Salary & Wages	10,991,399	9,749,650
Total	10,991,399	9,749,650

20. Other expenses

Particulars	For the Year ended March 31, 2019	For the year ended March 31, 2018
Legal Fees	31,850	43,200
Professional charges	4,692,900	3,488,700
Rental charges	-	43,923
Lease Rent	487,500	487,500
Directors Sitting Fees	263,000	181,000
Consultation Charges	-	-
Travelling Expenses	487,443	807,025
Meeting Expenses	32,054	38,532
Interest on Statutory Dues	-	982,174
Internal Audit Fees	60,000	30,000
Payment to Auditor		
Statutory Audit Fees	400,000	300,000
Tax Audit Fees	62,500	50,000
Reimbursement of Expenses	10,225	63,836
Total Payment to Auditor	472,725	413,836
Royalty charges	337,874	1,593,391
SEBI Charges	-	150,000
Other expenses	422,306	898,252
	7,287,652	9,157,533

21. Provisions and write offs

Particulars	For the Year ended March 31, 2019	For the year ended March 31, 2018
Provision for Standard assets	(439,380)	(39,078)
Provision for NPA	3,429,384	(20,155,557)
Bad Debts written off	27,675,855	58,969,633
Total	30,665,859	38,774,998

SHRIRAM CREDIT COMPANY LIMITED

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

23 Related Party Disclosure (As per Accounting Standard 18)

Name of related parties and description of relationship:

Holding Company	Shriram Capital Limited
Subsidiaries	Shriram Fortune Solutions Limited Shriram Wealth Advisers Limited Shriram Insight Share Brokers Limited Shriram Assets Management Company Limited Shriram Financial Product Solutions (Chennai) P Limited Insight Commodities & Futures P Limited
Other Person having significant influence	Shriram Ownership Trust
Key Managerial Person (KMP)	Akhilesh Kumar Singh (Managing Director)

Transaction with related parties:

Amount in ₹

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary	Other Person having significant influence / KMP	Total
Royalty Charges					
Shriram Ownership Trust				(337,874)	(337,874)
DP Charges					
Shriram Insight Share Brokers Limited		(4,385)			(4,385)
Interest Income					
Shriram Insight Share Brokers Limited		1,388,952			1,388,952
Shriram Wealth Advisers Limited		308,016			308,016
Reimbursement of Expenses					
- To Shriram Insight Share Brokers Limited		(1,430,000)			(1,430,000)
- To Shriram Capital Limited	-	-			-
Debit Balance outstanding as on 31.03.2019					
Shriram Insight Share Brokers Limited		414,997			414,997
Shriram Wealth Advisers Limited		12,098,761			12,098,761
Shriram Ownership Trust				2,303,041	2,303,041
Credit Balance outstanding as on 31.03.2019					
Shriram Ownership Trust				-	-
Shriram Insight Share Brokers Limited		-			-
Investments					
Shriram Fortune Solutions Limited		90,000,000			90,000,000
Shriram Wealth Advisers Limited		23,999,400			23,999,400
Shriram Assets Management Company Limited		67,548,156			67,548,156
Shriram Insight Share Brokers Limited		31,495,000			31,495,000
Shriram Financial Product Solutions (Chennai) P Limited		1,000,000			1,000,000
Salary To Key Managerial Personnel					
MD's Expenses				9,461,666	9,461,666

Note: Figures shown in brackets represent expenditures.

K. S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

SHRIRAM CREDIT COMPANY LTD.

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SHRIRAM CREDIT COMPANY LIMITED

24 Contingent Liabilities not provided for

Particulars	For the Year ended March 31, 2019	For the year ended March 31, 2018
Income Tax Demand - AY 2002-03 (Rs. 1.63 Lakhs has been paid against order)	1,063,973	1,063,973
Income Tax Demand - AY 2008-09	53,848	53,848
Income Tax Demand - AY 2010-11	93,280	82,660
Income Tax Demand - AY 2012-13	4,731,130	2,032,640
Income Tax Demand - AY 2014-15	18,441,310	10,378,860
Income Tax Demand - AY 2015-16	6,180,840	-
One of the Subsidiary, SISBL has availed of the following facilities from HDFC Bank where in its Holding Company i.e Shriram Credit Company Limited has provided "Letter of Comfort" to bank.		
1.Bank Guarantee outstanding: ₹ 16 Crores (partly secured by FD of 6.80 Crores of the Company endorsed in favor of HDFC bank and Mutual Fund Units worth ₹ 5.31 Crores belonging to company pledged in favor of the bank)	160,000,000	210,000,000
2. Overdraft against debtors: ₹ 5.60 Crores; Sanctioned Limit ₹ 20 Crores (partly secured by pledge of securities worth ₹4.24 Cr.ores post heir cut.)	56,000,000	113,500,000

25 Segment Reporting

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

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

Particulars	For the Year ended March 31, 2019	For the year ended March 31, 2018
No. of shares considered as basic weighted average shares outstanding	24,063,129	24,063,129
Add: Effect of dilutive issues of shares	-	-
No. of shares considered as basic weighted average and potential shares outstanding	24,063,129	24,063,129

27 As on 31/03/2019 & 31/03/2018, there were no outstanding dues to Micro and small enterprises.

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

29 (i) The company has written off ₹ 2,76,75,855/- due from 8 borrowers.Company's efforts of recovery did not yield any result and accordingly the said amount has been written off in the accounts of FY 2018-19.
(ii) In view of the litigation pending before various courts of law and actions of law enforcing agencies against Mehul C Choksi, the possibility of recovery was considered to be remote and hence Rs.5.80 cr. was written off in the accounts of FY 2017-18.
If in future, any recovery of the above amount be made, it will be duly recognized in the profit & loss account and offered for taxation at the applicable rates.

31 Previous years figures have been regouped / rearranged wherever necessary conforming to current year's classification.

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

S. Ghosh
Partner
Membership No. 050927

Place : Kolkata
Date: 16th May 2019

K.S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

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

Akhilesh Kumar Singh
Managing Director
DIN : 00421577

D V Ravi
Director
DIN : 00171603

Adbhut Shankar Pathak
Chief Financial Officer

Trina Nandi
Company Secretary

Place : Chennai
Date : 15th May 2019

SHRIRAM CREDIT COMPANY LIMITED
Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
CIN : U65993TN1980PLC008215
BalanceSheet Reconciliation as on 1st April 2017

	Particulars	Amount (in ₹) As on 1st April 2017 - IGAAP	Amount (in ₹) Effect of Transition to INDAS	Amount (in ₹) As on 1st April 2017 - Ind AS	Remarks
I	**ASSETS**				
	Non Current Assets				
	(a) Property Plant & Equipment	208,172,812	-	208,172,812	
	(b) Financial Assets				
	Investments	294,182,556	-	294,182,556	
		502,355,368	**-**	**502,355,368**	
	Current Assets				
	(a) Financial Assets				
	(i) Investments	62,865,725	(3,021,941)	65,887,666	Incresae in Market value of Mutual Fund over Book value as on 01.04.2017
	(ii) Cash and cash equivalents	10,758,920	-	10,758,920	
	(iii) Loans	645,496,458	-	645,496,458	
	(b) Current Tax Assets (Net)	9,233,058	-	9,233,058	
		728,354,161	**(3,021,941)**	**731,376,102**	
	TOTAL	**1,230,709,529**	**(3,021,941)**	**1,233,731,470**	
II	**Equity and liabilities**				
	Equity				
	(a) Equity Share Capital	240,631,290	-	240,631,290	
	(b) Other Equity	966,804,810	(2,022,796)	968,827,606	
		1,207,436,100	**(2,022,796)**	**1,209,458,896**	
	Liabilities				
	Non Current Liabilities				
	(a) Deferred Tax Liabilities (Net)	(7,151,170)	(999,146)	(6,152,024)	
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Trade Payables	518,869	-	518,869	
	(b) Other current liabilities	5,701,424	-	5,701,424	
	(c) Provisions	24,204,306	-	24,204,306	
		23,273,429	**(999,146)**	**24,272,575**	
	TOTAL	**1,230,709,529**	**(3,021,942)**	**1,233,731,470**	
	Significant Accounting Policies				

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

R.G. AIYAR & CO. CHARTERED ACCOUNTANTS KOLKATA

SHRIRAM CREDIT COMPANY LTD.

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SHRIRAM CREDIT COMPANY LIMITED
Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
CIN : U65993TN1980PLC008215
Reconciliation of Profit and Loss for the period ended 31st March 2018

Sl No	Particulars	Amount (in ₹) As on 31st March 2018 - IGAAP	Amount (in ₹) Effect of Transition to INDAS	Amount (in ₹) As on 31st March 2018 - Ind AS	Remarks
1	Revenue from Operations	57,847,280	-	57,847,280	
2	Other Income	17,918,419	242,671	18,161,090	Net Gain on financial instrument at Fair Value through profit & loss
3	**Total Income (1+2)**	**75,765,699**	**242,671**	**76,008,371**	
4	**Expenses**				
	(a) Employees benefit expense	9,749,650	-	9,749,650	
	(b) Depreciation & amortization expense	2,149,593	-	2,149,593	
	(c) Other expenses	9,157,533	-	9,157,533	
	(d) Provisions & Write offs	38,774,998	-	38,774,998	
	Total Expenses	**59,831,774**	**-**	**59,831,774**	
5	**Profit/(loss) before exceptional items and tax (3-4)**	**15,933,926**	**242,671**	**16,176,597**	
6	Exceptional items	-	-	-	
7	**Profit/(loss) before tax (5-6)**	**15,933,926**	**242,671**	**16,176,597**	
8	Tax Expenses				
	(a)Current Tax	-	-	-	
	(b) Deferred Tax	5,965,691	1,079,380	7,045,071	
	(c) Earlier Year Tax	2,023,115	-	2,023,115	
	Total Tax Expenses	**7,988,806**	**1,079,380**	**9,068,186**	
9	**Net Profit for the period (7-8)**	**7,945,120**	**(836,709)**	**7,108,411**	
	Other Comprehensive Income				
	A (i)Items that will not be reclassified to profit or loss				
	(ii) Income tax relating to items that will not be reclassified to profit or loss.				
	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				
	Total other comprehensive income, net of income tax	-	-	-	
11	**Total comprehensive income for the period (9+10)**	**7,945,120**	**-836,709**	**7,108,411**	
10	**Paid up equity share capital (Face value Rs. 10 each)**				
11	Earnings per share (of Rs. 10 each)				
	(1) Basic (in Rs.)	0.22	-0.03	0.30	
	(2) Diluted (in Rs.)	0.22	-0.03	0.30	
	Significant Accounting Policies				
	The notes referred to above form an integral part of the financial statements				

K. S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

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SHRIRAM CREDIT COMPANY LIMITED
Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
CIN : U65993TN1980PLC008215
Reconciliation of Balance Sheet as on 31st March 2018

Particulars	Amount (in ₹) As on 31st March 2018 - IGAAP	Amount (in ₹) Effect of Transition to INDAS	Amount (in ₹) As on 31st March 2018 - Ind AS	Remarks
I ASSETS				
Non Current Assets				
(a) Property Plant & Equipment	206,023,219	-	206,023,219	
(b) Financial Assets				
Investments	494,182,556	10,697,806.40	483,484,750	Diminution in the value of Investments in SWAL on 31.03.2018
	700,205,775	**10,697,806**	**689,507,968**	
Current Assets				
(a) Financial Assets				
(i) Investments	63,399,909	(3,264,616.35)	66,664,526	Incresae in Market value of Mutual Fund over Book value as on 31.03.2018
(ii) Cash and cash equivalents	6,966,148	-	6,966,148	
(iii) Loans	416,139,753	-	416,139,753	
(b) Current tax assets (Net)	15,541,285	-	15,541,285	
(c) Other current assets	15,680,152	-	15,680,152	
	517,727,247	**(3,264,616)**	**520,991,864**	
TOTAL	**1,217,933,022**	**7,433,190**	**1,210,499,832**	
II **Equity and liabilities**				
Equity				
(a) Equity Share Capital	240,631,290	-	240,631,290	
(b) Other Equity	974,749,925	9,511,716	965,238,209	
	1,215,381,215	**9,511,716**	**1,205,869,499**	
Liabilities				
Non Current Liabilities				
(a) Deferred Tax Liabilities (Net)	(1,185,479)	(2,078,526)	893,047	
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	197,440	-	197,440	
(b) Other current liabilities	2,131,153	-	2,131,153	
(c) Provisions	1,408,693	-	1,408,693	
	2,551,807	**(2,078,526)**	**4,630,333**	
TOTAL	**1,217,933,022**	**7,433,190**	**1,210,499,832**	
Significant Accounting Policies				
The notes referred to above form an integral part of the financial statements				

K.S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

SHRIRAM CREDIT COMPANY LTD.

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FORM AOC 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on 31st March, 2019

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

Part "A": Subsidiary

1. Name of the Subsidiary Company	Shriram Fortune Solutions Limited	Shriram Wealth Advisors Limited	Shriram Financial Products Solutions (Chennai) Private Limited	Shriram Insight Share Brokers Limited	Shriram Asset Management Company Limited
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.
4. Share capital	93,940,070	30,000,000	10,000,000	35,000,000	550,000,000
5. Reserves & surplus	181,865,278	(29,991,090)	575,941,580	1,213,111,712	(13,688,315)
6. Total assets	558,602,977	12,746,027	753,577,641	1,668,280,018	559,966,412
7.Total Liabilities	558,602,977	12,746,027	753,577,641	1,668,280,018	559,966,412
8.Investments	-	-	486,006,282	328,007,542	527,087,287
9. Turnover	1,085,803,598	(35,466)	686,653,290	556,131,572	50,995,151
10. Profit before taxation	6,384,961	(18,604,345)	12,891,756	133,009,603	(11,089,554)
11.Provision for taxation	(17,39,492)	711,939	9,979,276	46,294,349	4,840,946
12. Profit after taxation	8,124,452	(17,892,406)	2,912,481	86,715,254	(15,930,500)
13. Proposed Dividend	NIL	NIL	NIL	NIL	NIL
14. % of shareholding	95.81	80.00	100.00	89.99	68.67

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

1. Names of subsidiaries which are yet to commence operations : Nil

2. Names of subsidiaries which have been liquidated or sold during the year : Nil

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

S. Ghosh
Partner
Membership No. 050927

Kolkata
16th May 2019

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

Akhilesh Kumar Singh
Managing Director
DIN : 00421577

D V Ravi
Director
DIN : 00171603

Trina Nandi
Company Secretary

Adbhut Shankar Pathak
Chief Financial Officer

Chennai
15-May-19

Part "B": Associates and Joint Ventures- NONE

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

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

1. Names of associates or joint ventures which are yet to commence operations. - **Nil**
2. Names of associates or joint ventures which have been liquidated or sold during the year. - **Nil**

As per our report of even date

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

S. Ghosh
Partner
Membership No. 050927

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

Akhilesh Kumar Singh
Managing Director
DIN : 00421577

D V Ravi
Director
DIN : 00171603

Adbhut Shankar Pathak
Chief Financial Officer

Trina Nandi
Company Secretary

K.S. AIYAR & CO. KOLKATA CHARTERED ACCOUNTANTS

Place: Kolkata
Date: 16th May 2019

Place : Chennai
Date : 15th May 2019