

BOARD'S REPORT

To
 The Members,

Your Directors are pleased to present the 41st Annual Report together with the Audited Financial Statements for the year ended 31st March, 2021 of Shriram Credit Company Limited ('the Company').

FINANCIAL HIGHLIGHTS

PARTICULARS	Financial year			
	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-2020
Gross Income	503,76,639	49,138,917	29357,95,352	2,363,555,707
Profit Before Interest and Depreciation	215,78,370	6,855,299	1611,93,190	56,727,577
Finance Charges	85,61,918	-	126,29,804	8,003,174
Gross Profit	130,16,452	6,855,299	1485,63,386	48,724,403
Provision for Depreciation	21,46,130	2,147,093	712,43,635	64,423,341
Net Profit Before Tax	108,70,322	4,708,206	773,19,751	(15,696,650)
Provision for Tax	18,02,361	6,61,852	182,23,801	16,915,872
Other Comprehensive Income	1,080	-	42,46,081	(14,76,813)
Minority Interest	-	-	(18,09,395)	(9,084,658)
Net Profit After Tax	90,69,040	4,046,354	651,51,426	(250,04,677)
Opening Adjustments	-	-	(16,81,289)	(7,415,591)
Transferred to Statutory Reserve	(18,13,808)	(809,271)	(18,13,808)	(809,271)
Balance of Profit brought forward	1,36,604,693	1,33,367,610	1,417,422,564	1,435,034,449
Balance available for appropriation	1,43,859,926	1,36,604,693	1,499,679,129	1,417,422,564
Net Interim Dividend Paid	-	-	-	-
Tax on Interim Dividend	-	-	-	-
Transfer to General Reserve	-	-	-	-
Surplus carried to Balance Sheet	1,43,859,926	1,36,604,693	1,499,679,129	1,417,422,564

REVIEW OF OPERATIONS

Your Company has during the year under review had earned a standalone total income of Rs. 5,03,76,639/- and a Net Profit after Tax of Rs. 90,69,040/- as compared to the total income of Rs. 4,91,38,917/- and a Net Profit after Tax of Rs. 40,46,354/- earned during the last year.



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

BOARD'S REPORT

CHANGE IN THE NATURE OF BUSINESS

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

CHANGE IN CAPITAL STRUCTURE

AUTHORISED SHARE CAPITAL

During the year under review, the Company has reclassified 40,00,000 (Forty lacs) Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten) each into 40,00,000 (Forty lacs) Non-Convertible Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten) each and also increased Authorized Share Capital of the Company from Rs. 29,00,00,000 (Rupees Twenty Nine Crores only) consisting of 2,50,00,000 (Two Crore and Fifty lacs) Equity Shares of Rs.10/- (Rupees Ten) each and 40,00,000 (Forty lacs) Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten) each to Rs. 50,00,00,000 (Rupees Fifty Crores only) consisting of 2,50,00,000 (Two Crore and Fifty lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 2,50,00,000 (Two Crore and Fifty lacs) Non-Convertible Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten) each by creation of additional 2,10,00,000 (Two Crore and Ten lacs) Non- Convertible Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten) each at its EGM held on 6th March 2021.

PAID-UP SHARE CAPITAL

During the year, the Company has increased its paid-up capital by issue and allotment of 2,40,00,000 6.5% Non- Convertible Cumulative Redeemable Preference Shares of @Rs. 10/- each through private placement/preferential allotment basis to M/s Shriram Capital Ltd at the Securities Committee meeting held on 18th March, 2021.

The current capital structure of the Company is as below:

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

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

DIVIDEND & TRANSFER TO RESERVES

In order to conserve the funds for the business operations and expansion, the board decided not to declare dividend to the equity shareholders for the financial year ended 31st March, 2021. However, as per the terms of issue of Non Convertible Cumulative Redeemable Preference Shares, fixed dividend at the rate of 6.5% p.a shall be paid to the preference shareholders pro-rata to the date of allotment of shares that amounts to Rs. 5,55,616

Your Company has transferred Rs. 18,13,808/- to Statutory Reserve in terms of Section 45 IC of Reserve Bank of India Act, 1934.

BOARD'S REPORT

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, 2021 till the date of this report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

- Jasmit Singh Gujral [DIN: 00196707] and Mr. Rangaswamy Sundararajan [DIN: 00498404] Directors will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.
- At the Board Meeting held on 20th January 2021, Mr. Akhilesh Kumar Singh has been re designated from the post of Managing Director to Vice Chairman and Executive Director of the Company with effect from 20th January, 2021 upto 31st May, 2022 with no change in terms of his remuneration, and whose office shall be liable to retire by rotation.
- At the Board Meeting held on 20th January 2021, Mr. M.R. Shashibhushan [Holder of DIN: 00492377] was appointed as Managing Director of the Company for a period of 3 years with effect from 20th January, 2021. His appointment and remuneration have been placed in the accompanying notice of AGM for members' approval.

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.

COMMITTEES OF THE BOARD

Your Company's Board has the following committees:

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

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

BOARD EVALAUTION

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

BOARD'S REPORT

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

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of 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 Nomination and Remuneration Committee has framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel (KMP), Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013.

We affirm that the remuneration paid to Directors, senior management and other employees is in accordance with the remuneration policy of the Company.

BOARD'S REPORT

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of the following members:

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

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

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

BOARD MEETINGS

During the year under review, the Board of Directors met 6 times respectively on 8th June 2020, 7th August, 2020, 1st October, 2020, 12th November, 2020, 20th January, 2021 and 12th February, 2021

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

The Company has eleven subsidiary companies as on 31st March 2021, namely Shriram Asset Management Company Ltd. (SAMCL), Shriram Insight Share Brokers Ltd. (SISBL), Shriram Fortune Solutions Ltd. (SFSL), Shriram Financial Products Solutions (Chennai) Pvt. Ltd.(SFPSL), Shriram Wealth Advisors Ltd (SWAL), Insight Commodities & Futures Private Limited (Subsidiary of Shriram Insight Share Brokers Limited) (ICF), SEA Funds Management India Private Limited (SFMIPL), Way2Wealth Securities Pvt. Ltd (W2WS), Way2Wealth Brokers Pvt. Ltd (W2WB), Way2Wealth Commodities Pvt. Ltd (W2WC) and Way2Wealth Insurance Brokers Pvt. Ltd (W2WIB).

- a. **Shriram Asset Management Company Limited-** The Company during the year under review posted total income of Rs.5,31,21,101/- and a loss of Rs. 47,70,794/- as compared to the total income of Rs. 3,31,59,724/- and a loss of Rs.2,70,96,041/- during the preceding year.
- b. **Shriram Financial Products Solutions (Chennai) Private Limited-** The Company during the year under review posted total income of Rs. 50,51,72,300/- and a Net Profit after Tax of Rs. 2,43,22,500/- as compared to the total income of Rs. 68,57,76,319/- and a Net Profit after Tax of Rs. 3,23,39,437/- as earned during the last year.
- c. **Shriram Fortune Solutions Limited-** The Company during the year under review posted total income of Rs. 158,60,62,955/- and a loss of Rs. 1,15,55,487/- as compared to total income of Rs. 113,16,54,118/- and a loss of Rs. 7,55,82,355/- 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. 50,88,86,518/- and a Net Profit after Tax Rs. 4,96,92,774/- of as compared to the total income of Rs. 44,93,57,002/- and a Net Profit after Tax of Rs. 5,22,90,090/-/- earned during the last year.

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- e. **Shriram Wealth Advisors Limited**- The Company during the year under review posted total Company has earned a total income of Rs. 7,51,09,176/- and a loss of Rs. 1,41,29,227/- as compared to the total income of Rs. 6,35,965/- and a loss of Rs. 1,48,18,353/- 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. 93,55,700/- and a profit/loss of Rs. 53,03,426/- as compared to the total income of Rs. 72,79,955/- and a Net Profit after Tax of Rs. 3,024,840/- during the preceding year.
- g. **SEA Funds Management India Private Limited** - The Company during the year under review posted total Company has earned a total income of Rs. 71,31,299/- and a profit of Rs. 31,78,941/- as compared to the total income of Rs. 1,09,98,417/- and a profit of Rs.82,19,938/- during the preceding year.
- h. **Way2Wealth Securities Pvt. Ltd**- The Company during the year under review posted total Company has earned a total income of Rs. 62.25/- millions and a loss of Rs. 589.05/- millions as compared to the total income of Rs. 229.56/- millions and a loss of Rs. 191.94/- millions during the preceding year.
- i. **Way2Wealth Brokers Pvt. Ltd** - The Company during the year under review posted total Company has earned a total income of Rs. 611.72/- millions and a profit of Rs. 54.70/- millions as compared to the total income of Rs. 759.53/- millions and a loss of Rs. 119.26/- millions during the preceding year.
- j. **Way2Wealth Commodities Pvt. Ltd** - The Company during the year under review posted total Company has earned a total income of Rs. 35.77/- millions and a profit of Rs. 1.32/- millions as compared to the total income of Rs. 75.70/- millions and a loss of Rs. 1.52/- millions during the preceding year.

During the year, Way2Wealth Securities Pvt. Ltd (W2WS), Way2Wealth Brokers Pvt. Ltd (W2WB) and Way2Wealth Commodities Pvt. Ltd (W2WC) have become subsidiaries of the Company and none of the existing Company has ceased to be subsidiary, joint venture or associate company.

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

DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

BOARD'S REPORT

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

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

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

RELATED PARTY TRANSACTIONS

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

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

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

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

AUDITORS

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 40th 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.

BOARD'S REPORT

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 2021:

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

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

RISK MANAGEMENT POLICY

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

PARTICULARS OF EMPLOYEES

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

DISCLOSURES ON "CORPORATE GOVERNANCE"

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

Particulars of Remuneration of Mr. Akhilesh Kumar Singh	Amount for FY 2020-21 (in Rs.)
Gross Salary	75,25,000
Incentives	-
Bonus	-
Perquisites	-
Leave Encashment paid in FY 18-19	-
Contribution to PF	-
Shares held by MD	NIL

BOARD'S REPORT

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 C", which forms part of the Directors' Report.

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.

ACKNOWLEDGEMENT

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

For and on behalf of the Board



M.R. Shashibhushan
Managing Director
DIN: 00492377

Date: May 21, 2021
Place: Chennai

For and on behalf of the Board



Akhilesh Kumar Singh
Vice Chairman & Executive Director
DIN: 00421577

Annexure 'A' to BOARD'S REPORT

FORM NO. AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which were not at arm's length basis.

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

The details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2021 are as follows:

Name of the Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount (in Rs.)
Shriram Value Services Ltd.	Fellow subsidiary Company		Royalty Expenses (artistic work on labels, letterhead, commercial literature, use of Intellectual Property)	10,87,032/-

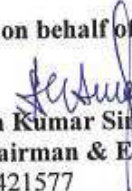
Appropriate approvals have been taken from the Board of Directors of the Company from time to time for the related party transactions as mentioned above.

❖ Amount paid as advances, if any: NIL

For and on behalf of the Board


 M.R. Shashibhushan
 Managing Director
 DIN: 00492377

For and on behalf of the Board


 Akhilesh Kumar Singh
 Vice Chairman & Executive Director
 DIN: 00421577

Date: May 21, 2021
 Place: Chennai

Annexure 'B' to BOARD'S REPORT

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

Sr. No.	PARTICULARS	DETAILS
1.	Name of the Employee	Akhilesh Kumar Singh
2.	Designation of the Employee	Vice Chairman & Executive Director (Managing Director till 19 th January, 2021)
3.	Nature of Employment, whether contractual or otherwise	Contractual
4.	Qualifications & Experience of the Employee	Mr. Akhilesh Kumar Singh is a B.Tech from IIT (Kharagpur) and a PGDBM from IIM (Bangalore).
5.	Date of Commencement of the Employment	He was appointed as the Director of the Company on 5 th November, 2007.
6.	Age	58 years
7.	Last employment	<p>He had been associated with Shriram Group since 1994, starting his career as President of Shriram City Union Finance Ltd.</p> <p>During his association with the Group, he has handled responsibilities of Managing Directorship of Shriram City Union Finance Ltd. and Shriram Insight Share Brokers Ltd.</p>
8.	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5	NIL
9.	Whether any such employee is a relative of any Director or manager of the Company and if so, name of such director or manager.	None



Annexure 'B' to BOARD'S REPORT

DETAILS OF REMUNERATION RECEIVED DURING THE YEAR NEEDS TO BE GIVEN

Sl. No.	Particulars of Remuneration for FY 2020-21	Amount in Rupees
1.	Gross salary	75,25,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	75,25,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
	(e) Leave Encashment paid in FY 2020-21	-
2.	Contribution to Provident funds	-
TOTAL		75,25,000

Notes:

- No employee was employed for a part of the FY 2020-21 drawing remuneration of more than rupees eight lakh and fifty thousand per month.
- No employee drawing remuneration in excess of that drawn by the Managing Director or Whole-time Director or Manager and holding two percent of the equity shares of the Company by himself or along with his spouse and dependent children was employed throughout the FY 2020-21 or part thereof.



'Annexure C' to the BOARD'S REPORT

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN
 as on the financial year ended on 31st MARCH 2021 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]

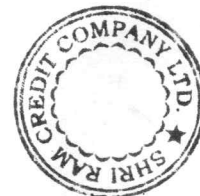
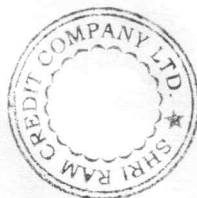
I. REGISTRATION AND OTHER DETAILS:

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: isbcal@hotmail.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	78.47%



'Annexure C' to the BOARD'S REPORT

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	84.07	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)
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. Greems Dugar, 4 th Floor, No.149, Greems Road, Chennai-600006	U67100TN2011PTC079652	SUBSIDIARY	100.00	2(87)(ii)
7.	Insight Commodities & Futures Private Limited 4th Floor, Mookambika Complex, 4, Lady Desika Road, Mylapore, Chennai - 600004	U72900TN2003PTC052152	SUBSIDIARY*	99.97	2(87)(ii)
8.	SEA Funds Management India Private Limited No. 106, 106/1, Kodandarama Complex 3rd Floor, Gandhi Bazar Main Road, Basavanagudi, Bangalore - 560004	U74140KA2006PTC039866	SUBSIDIARY	100.00	2(87)(ii)
9.	Way2Wealth Securities Pvt. Ltd Rukmini Towers, 3rd & 4th Floor,	U72200KA2000PTC027020	SUBSIDIARY		2(87)(ii)



‘Annexure C’ to the BOARD’S REPORT

	No.3/1, Platform Road, Sheshadripuram, Bangalore - 560020				
10	Way2Wealth Brokers Pvt. Ltd.^ Rukmini Towers, 3rd & 4th Floor, No.3/1, Platform Road, Sheshadripuram, Bangalore - 560020	U67120KA2000PTC027628	SUBSIDIARY		2(87)(ii)
11	Way2Wealth Commodities Pvt. Ltd^^ Rukmini Towers, 3rd & 4th Floor, No.3/1, Platform Road, Sheshadripuram, Bangalore - 560020	U51229KA2006PTC039880	SUBSIDIARY		2(87)(ii)

* Subsidiary of Shriram Insight Share Brokers Limited

^Subsidiary of Way2Wealth Securities Pvt. Ltd

^^ Subsidiary of Way2Wealth Brokers Pvt. Ltd



'Annexure C' to the BOARD'S REPORT

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
	Dem at	Physical	Total	% of Total Shares	Dem at	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	24061889	-	24061889	100.00	0.36
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	3746629	20230640	23977269	99.64	24061889	-	24061889	100.00	0.36
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	24061889	-	24061889	100.00	0.36

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.									



'Annexure C' to the BOARD'S REPORT

i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	0.00
b) Individual	-	-	-	-	-	-	-	-	-
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/Trust)	-	84620	84620	0.36	-	-	-	-	-0.36
Sub-Total B(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	-	85860	85860	0.36	-	1240	1240	0.00	-0.36
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3746629	20316500	24063129	100.00	24061889	1240	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	2,39,77,269	99.64	NIL	2,40,61,889	100	NIL	0.36
	TOTAL	2,39,77,269	99.64	NIL	2,40,61,889	100	NIL	0.36



'Annexure C' to the BOARD'S REPORT

(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	2,39,77,269	99.64	2,39,77,269	99.64
	Purchase of 84,590 shares from Shriram Group Executive Welfare Trust	-	-	84590	100
	At the end of the year	-	-	2,40,61,859	100

(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
	Sale of 84,620 shares to Shriram Group Executive Welfare Trust			0	0
	AT THE END OF THE YEAR	0	0	0	0
2.	Shriram Group Executive Welfare Trust	0	0	0	0
	Purchase of 84,620 shares from Bhavani Thyagarajan (for Shriram Investments)			84,620	0.36
	Sale of 84,590 shares to Shriram Capital Limited			84,590	0
	Sale of 10 shares to D.V.Ravi			20	0
	Sale of 10 shares to S.Senthilnathan			10	0
	Sale of 10 shares to Subhasri Sriram			0	0
	AT THE END OF THE YEAR	0	0	0	0
3.	A.L. Meenakshi Sundaram	420	0.00	420	0.00
	AT THE END OF THE YEAR	420	0.00	420	0.00
4.	M.R. Vijaya	300	0.00	300	0.00
	AT THE END OF THE YEAR	300	0.00	300	0.00
5.	P. Meenakshi	300	0.00	300	0.00
	AT THE END OF THE YEAR	300	0.00	300	0.00



‘Annexure C’ to the BOARD’S REPORT

6	R.Sankaranarayanan	180	0.00	180	0.00
	AT THE END OF THE YEAR	180	0.00	180	0.00
7	A Annamalai	20	0.00	20	0.00
	AT THE END OF THE YEAR	20	0.00	20	0.00
8	C Padma Devi	20	0.00	20	0.00
	AT THE END OF THE YEAR	20	0.00	20	0.00
9.	S.Senthilnathan				
	Purchase of 10 shares from Shriram Group Executives Welfare Trust	0	0	10	0.00
	AT THE END OF THE YEAR	0	0	10	0.00
10.	Subhasri Sriram				
	Purchase of 10 shares from Shriram Group Executives Welfare Trust			10	0.00
	AT THE END OF THE YEAR	0	0	10	0.00
11.	D.V.Ravi				
	Purchase of 10 shares from Shriram Group Executives Welfare Trust	0	0	10	0.00
	AT THE END OF THE YEAR	0	0	10	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP: D.V.Ravi (Director)	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	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus/ sweat equity etc):	Purchase of 10 shares from Shriram Group Executives Welfare Trust		-	-
	At the end of the year	10	0.00	10	0.00



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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	NIL	NIL	NIL	NIL
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
<input type="checkbox"/> Addition	NIL	Rs.20,00,00,000	NIL	Rs.20,00,00,000
<input type="checkbox"/> Reduction				
Net Change		Rs.20,00,00,000		Rs.20,00,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	Rs.20,00,00,000	NIL	Rs.20,00,00,000
ii) Interest due but not paid		Rs. 13,85,092		Rs. 13,85,092
iii) Interest accrued but not due		-		
Total (i+ii+iii)		Rs. 20,13,85,092		Rs. 20,13,85,092



'Annexure C' to the BOARD'S REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Mr. Akhilesh Kumar Singh – Vice-Chairman & Executive Director*	Mr. M.R. Shashibhushan – Managing Director**	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 75,25,000/-	-	Rs. 75,25,000/-
	(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)	Rs. 75,25,000/-	-	Rs. 75,25,000/-
	Ceiling as per the Act			

* Mr. Akhilesh Kumar Singh has been re designated from the post of Managing Director to Vice Chairman and Executive Director of the Company with effect from 20th January, 2021

** Mr. M.R. Shashibhushan was appointed as Managing Director of the Company for a period of 3 years with effect from 20th January, 2021.,

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Mohan Natarajan	Saleem K.Ali	Total Amount (Rs.)
1.	Independent Directors <input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, please specify	Rs. 1,74,000/-	Rs. 1,73,000/-	Rs. 3,47,000
	Total (1)	Rs. 1,74,000/-	Rs. 1,73,000/-	Rs. 3,47,000/-
2.	Other Non-Executive Directors <input type="checkbox"/> Fee for attending board /	-	-	-

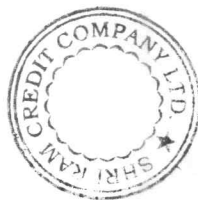


‘Annexure C’ to the BOARD’S REPORT

committee meetings <input type="checkbox"/> <input type="checkbox"/> Commission <input type="checkbox"/> <input type="checkbox"/> Others, please specify	-	-	-
Total (2)	-	-	-
Total Managerial Remuneration (B)= (1)+(2)	Rs. 3,47,000/-		
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.		

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total (Rs.)
		CEO	Company Secretary	CFO	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	-	Rs. 4,35,662/-	Rs. 7,23,632/-	11,59,294/-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify (EPF)	-	-	-	-
	Total	-	Rs. 4,35,662/-	Rs. 7,23,632/-	11,59,294/-



'Annexure C' to the BOARD'S REPORT

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					



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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 March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

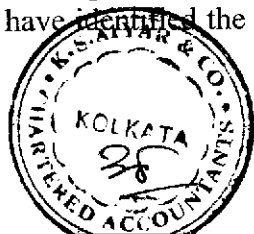
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manners or required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 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 section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules 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.



Offices also at
Mumbai Chennai
Bengaluru Coimbatore Hyderabad 1

- a) Going forward, substantial improvement is required in collection process by liquidating the collateral or otherwise on the five accounts declared as NPA as per IRAC norms.
- b) In view of COVID 19 pandemic, the impact on the financial statement of the company for the year ended 31.03.2021 has been fully explained in Note No.32. The company is presently not envisaging any long term impact on its financial statement.

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with Division III of Schedule III of the Act as applicable to Non-banking Financial Companies as defined in the Companies (Indian Accounting Standards) (Amendment) Rules 2016 and the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

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

7. Other Matters

Attention is drawn to:

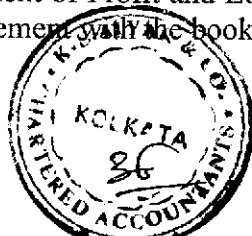
- a) Note No.30 regarding NPA status of the company.
- b) Note No.4 regarding investment in Shriram Wealth Advisory Limited.

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.

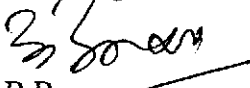
As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account



- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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


B. Basu
Partner
Membership No.: 017474

UDIN: 21017474AAAAAG3064

Place: Kolkata
Date: 26.05.2021



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

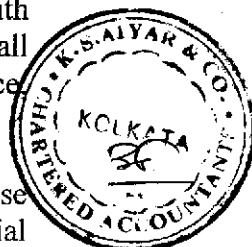
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

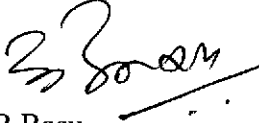


K. S. AIYAR & CO

CHARTERED ACCOUNTANTS

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

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



B. Basu
Partner
Membership No.: 017474

UDIN: 21017474AAAAAG3064

Place: Kolkata
Date: 26.05.2021



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, 2021.

- (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 during the year - Rs.14,75,00,000) and Shriram Wealth Advisors Limited for Rs. Nil where the terms are not prejudicial to the interest of the company (Maximum Amount Outstanding during the year – Rs.1,01,12,917). 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, Goods and 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, Customs Duty, 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, Goods and Service tax and other statutory dues were in arrears as at March 31, 2021 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, Customs Duty, Excise Duty and Value Added Tax, Goods and Service Tax which have not been deposited with the appropriate authorities on 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	1063973	AY 2002-03	ITAT
Income Tax Act, 1961	Income Tax Demand	53848	AY 2008-09	ITAT
Income Tax Act, 1961	Income Tax Demand	93280	AY 2010-11	Jurisdiction Assessing Officer
Income Tax Act, 1961	Income Tax Demand	1324250	AY 2012-13	ITAT
Income Tax Act, 1961	Income Tax Demand	788570	AY 2014-15	ITAT
Income Tax Act, 1961	Income Tax Demand	4558531	AY 2015-16	ITAT
Income Tax Act 1961	Income Tax Demand	3199097	AY 2017-18	ITAT

- (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.



K. S. AIYAR & CO

CHARTERED ACCOUNTANTS

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



B.Basu
Partner
Membership No.: 017474

UDIN: 21017474AAAAAG3064

Place: Kolkata
Date: 26.05.2021



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, 2021

We have audited the internal financial controls over financial reporting of Shriram Credit Company Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

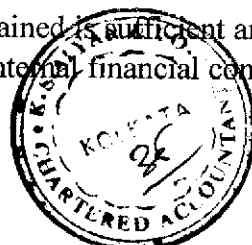
The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditors’ Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

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

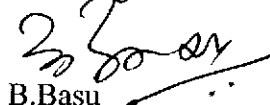
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

Subject to our observations in Key Audit Matters, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



B. Basu
Partner
Membership No.: 017474

UDIN: 21017474AAAAAG3064

Place: Kolkata
Date: 26.05.2021

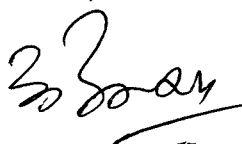


SHRIRAM CREDIT COMPANY LIMITED
 Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
 CIN : U65993TN1980PLC008215
 Standalone Balance Sheet as on 31st March 2021

Particulars	Note No.	Amount (in Rs.)	
		As on 31st March 2021	As on 31st March 2020
I ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	2	45,30,453	29,49,877
(b) Loans & Advances	3	24,13,32,890	24,50,06,622
(c) Investments	4	1,19,18,41,181	73,04,78,455
(d) Other Financial Assets		3,57,04,772	1,74,73,424
		1,47,34,09,296	99,59,08,378
(2) Non Financial Assets			
(a) Current Tax Assets (Net)	5	1,55,21,629	1,70,02,304
(b) Deferred Tax Assets (Net)	6	30,60,094	24,49,196
(c) Property, Plant & Equipment	7	19,95,81,297	20,17,27,428
(d) Capital Work - in - Progress		7,08,000	7,08,000
(e) Other Non- Financial Assets	8	17,75,058	8,06,649
		22,06,46,078	22,26,93,577
Total Assets		1,69,40,55,374	1,21,86,01,955
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	97,174	39,68,723
Borrowings		20,13,85,092	-
(b) Subordinated Liability	13 (b)	24,00,00,000	-
(c) Other Financial Liabilities	10	11,14,393	6,48,312
		44,25,96,659	46,17,035
(2) Non Financial Liabilities			
(a) Provisions	11	40,46,722	43,93,115
(b) Other Non- Financial Liabilities	12	2,96,42,296	8,91,149
(3) EQUITY			
(a) Share Capital	13 (a)	24,06,31,290	24,06,31,290
(b) Other Equity	14	97,71,38,407	96,80,69,366
		1,25,14,58,715	1,21,39,84,920
Total Liability & Equity		1,69,40,55,374	1,21,86,01,955

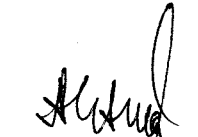
The notes referred to above form an integral part of the financial statements

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



B. Basu
 Partner
 Membership No. 017474
 UDIN - 21017474AAAAG3064

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


Akhilesh Kumar Singh
 Vice Chairman
 DIN: 00421577


M R Shashibhushan
 Managing Director
 DIN : 00492377


Adbhut Shankar Pathak
 Chief Financial Officer


Trina Nandi
 Company Secretary

Place : Kolkata
 Date : 26.05.2021

Place : Chennai
 Date : 21.05.2021




SHRIRAM CREDIT COMPANY LIMITED
 Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
 CIN : U65993TN1980PLC008215
 Standalone Statement of Profit and Loss for the year ended 31st March 2021

	Particulars	Note	Amount (in Rs.)	
			For the year ended March 31, 2021	For the year ended March 31, 2020
	Revenue From Operations			
	(i) Interest Income	15	3,95,33,007	3,94,10,761
	(ii) Dividend Income	16	22,85,897	27,05,486
	(iii) Net Gain on Fair value changes	17	21,98,328	(52,560)
	(iv) Others	18	63,59,407	70,75,230
(I)	Total Revenue from Operations		5,03,76,639	4,91,38,917
(II)	Other Income		-	-
(III)	Total Income (I+II)		5,03,76,639	4,91,38,917
	Expenses			
	(i) Employee Benefits Expenses	19	1,67,14,868	1,86,51,750
	(ii) Depreciation, amortization and Impairment	7	21,46,130	21,47,093
	(iii) Finance Cost	20.1	85,61,918	-
	(iv) Other Expenses	20.2	73,89,849	71,88,929
	(v) Provisions and Write offs	21	46,93,552	1,64,42,939
(IV)	Total Expenses (IV)		3,95,06,317	4,44,30,711
(V)	Profit/(loss) before exceptional items and tax (III-IV)		1,08,70,322	47,08,206
(VI)	Exceptional items		-	-
(VII)	Profit/(loss) before tax (V-VI)		1,08,70,322	47,08,206
(VIII)	Tax Expenses			
	(a) Current Tax		24,13,259	5,90,414
	(b) Deferred Tax		(6,10,898)	71,438
	(c) Earlier Year Tax		-	-
	Total Tax Expenses	6	18,02,361	6,61,852
(IX)	Profit/(Loss) for the period from continuing operations (VII-VIII)		90,67,961	40,46,354
(X)	Other Comprehensive Income			
	(i) Items that will not be reclassified in Profit or Loss - Remeasurement defined employee benefit plan		1,496	-
	(ii) Income tax relating to items that will not be reclassified to Profit & Loss		(416)	-
(IX)	Total Comprehensive Income for the year		90,69,040	40,46,354
(XI)	Earning per Equity Share (for Continuing operations)			
	(1) Basic (in ₹.)		0.38	0.17
	(2) Diluted (in ₹.)		0.38	0.17


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

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

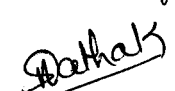

 B. Basu
 Partner
 Membership No. 017474

UDIN- 21017474 AAA AAG3064

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


 Akhilesh Kumar Singh
 Vice Chairman
 DIN: 00421577

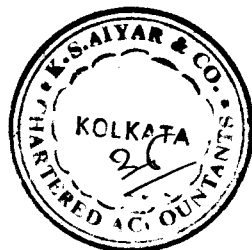

 M R Shashibhushan
 Managing Director
 DIN: 00492377


 Adbhut Shankar Pathak
 Chief Financial Officer


 Trina Nandi
 Company Secretary

Place : Kolkata
 Date: 26.05.2021

Place : Chennai
 Date : 21.05.2021

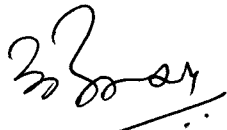


SHRIRAM CREDIT COMPANY LIMITED
 Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
 CIN : U65993TN1980PLC008215
 Standalone Cash Flow Statement for the year ended 31st March 2021

Amount in ₹


Particulars	As on 31st March 2021	As on 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax	1,08,70,322	47,08,206
Other Comprehensive Income	1,080	-
Dividend Income	(22,85,897)	(27,05,486)
Interest Income on NCD	-	-
Provisions & Write offs	(5,51,275)	(5,582)
Profit on sale of current investments	(60,89,839)	(70,29,065)
Depreciation	21,46,130	21,47,093
Unrealized Profit on MF	(21,98,328)	52,560
Operating profit before change in working capital	18,92,193	(28,32,274)
Movements in Working Capital:		
Decrease / (Increase) in Loans	36,73,732	4,32,45,423
Decrease / (Increase) in Other current assets	(1,91,99,757)	(1,30,67,386)
Increase / (Decrease) in Trade Payables	(38,71,549)	37,71,175
Increase / (Decrease) in Other current liabilities	2,92,17,228	(2,63,080)
Increase / (Decrease) in Provisions	2,04,882	-
Net cash from / (used in) operating activities	1,19,16,728	3,08,53,857
Direct taxes paid	(9,32,583)	(3,02,652)
Net Cash from / (used in) operating activities	1,09,84,146	3,05,51,206
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Subsidiaries	-	-
Net sale / Purchase of Investments	(45,30,74,559)	(5,24,05,761)
Interest Received on NCD	-	-
Capital Work - in - Progress	-	(7,08,000)
Dividend Received	22,85,897	27,05,486
Net Cash from / (used in) in investing activities	(45,07,88,662)	(5,04,08,275)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured borrowings (net)	20,13,85,092	-
RNCPS	24,00,00,000	-
Interest paid	-	-
Net Cash from / (used in) Financing activities	44,13,85,092	-
Total increase/(decrease) in cash and cash equivalents (A+B+C)	15,80,576	(1,98,57,070)
Cash and Cash equivalents as at the beginning of the year	29,49,877	2,28,06,947
Cash and Cash equivalents as on 31st Mar,2021	45,30,453	29,49,877
D Components of Cash and Cash Equivalents		
Cash and Cash Equivalents at the end of the period		
i) Cash on hand	1,28,084	46,898
iii) Balances with scheduled banks in Current accounts	44,02,369	29,02,979
Total cash and cash equivalents (Note 2)	45,30,453	29,49,877

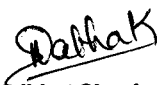
As per our report of even date
 For K.S.Aiyar & Co.
 Chartered Accountants
 Firm Regn No. 100186W



B. Basu
 Partner
 Membership No. 017474
 UDIN - 21017474 AAAA 93064

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


Akhilesh Kumar Singh
 Vice Chairman
 DIN : 00421577


Adbhut Shankar Pathak
 Chief Financial Officer


M R Shashibhushan
 Managing Director
 DIN : 00492377


Trina Nandi
 Company Secretary

Place : Kolkata
 Date: 26.05.2021

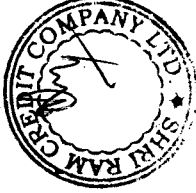
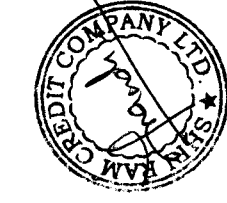


Place : Chennai
 Date : 21.05.2021

SHRIRAM CREDIT COMPANY LIMITED
 Reg office: Shriram House, No.4 Burkit Road, T Nagar Chennai 600 017
 CIN : U65993TN1980PLC009216

Statement of Changes In Equity for the Year Ended 31st Mar 2021

A. Equity Share Capital		Amount in ₹				
Particulars						
Balance as at 31st March 2020		24,06,31,290				
Changes in equity share capital during the Period		-				
Balance as at 31st Mar 2021		24,06,31,290				
B. Other Equity		Amount in ₹				
Particulars	Reserves and Surplus			Total		
	Capital Reserve	Statutory Reserve	Securities Premium Reserve		General Reserve	Retained Earnings
Balance as at 31st March 2020	25,00,000	9,37,84,976	73,36,52,590	15,27,107	13,66,04,693	96,60,69,366
Transfer for the year ended Mar 2021	-	18,13,808	-	-	(18,13,808)	-
Total Comprehensive Income for the year ended Mar 2021	-	-	-	-	90,69,040	90,69,040
Adjustment against Retained Earnings	-	-	-	-	-	-
Balance as at 31st Mar 2021	25,00,000	9,55,98,784	73,36,52,590	15,27,107	14,38,69,926	97,71,38,407



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

1. Corporate Information

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

2. Basis of preparation

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

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

The financial statements are presented in Indian Rupees (INR).

3. Presentation of financial statement

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

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

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

4. Statement of compliance

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



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.



2



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(ii) Financial assets measured at amortised cost

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

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

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

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

Debt instruments

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

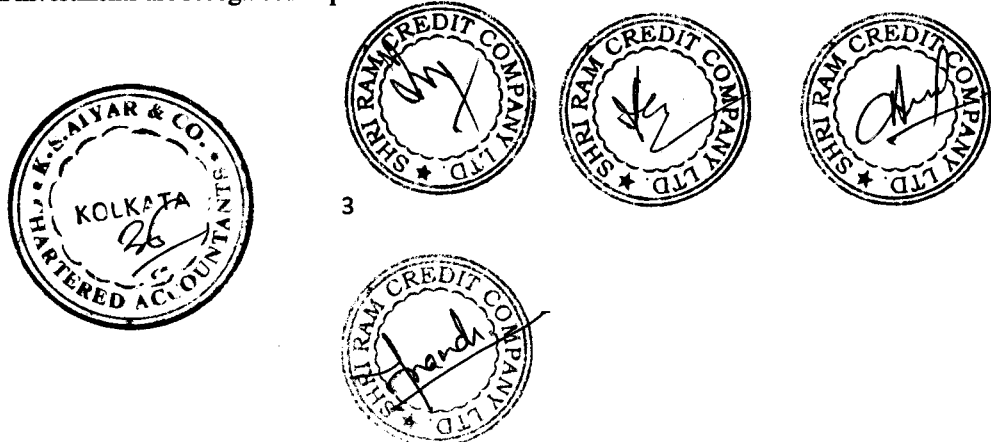
- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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

Equity instruments

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

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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

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

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

Financial instruments held for trading

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

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

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

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

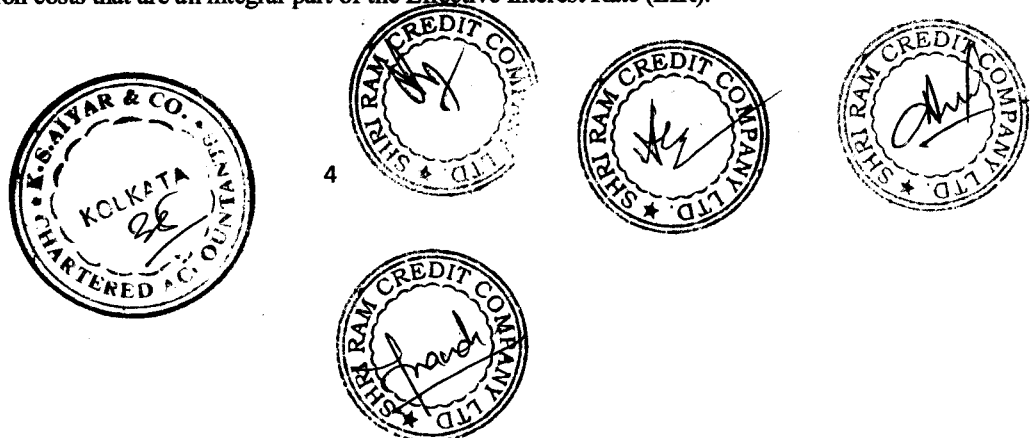
A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

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

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

(v) Debt securities and other borrowed funds

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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(vi) Financial guarantees

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

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

(vii) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2017-18 and until the year ended March 31, 2021.

(viii) Recognition and Derecognition of financial assets and liabilities

Recognition:

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

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:

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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

- ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

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

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

A transfer only qualifies for 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.

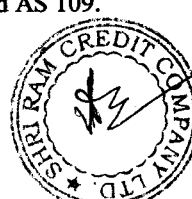
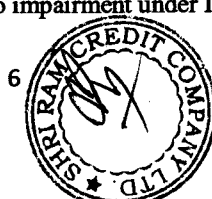
b) Financial liabilities

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.



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Notes forming part of Financial Statements

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

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

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

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

Stage 1

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

Stage 2

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

Stage 3

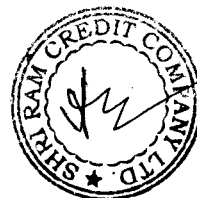
All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Credit-impaired financial assets:

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

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

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



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Financial guarantee contracts

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

The mechanics of ECL:

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

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

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

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

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

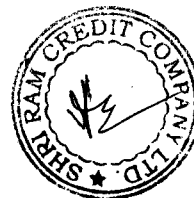
Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments/ natural calamities occurring in the market it operates in. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such trends/events reasonably.

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

(x) Write-offs

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



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(xi) Determination of fair value

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

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

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

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

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

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

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

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

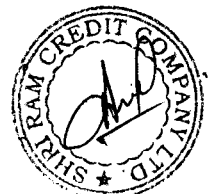
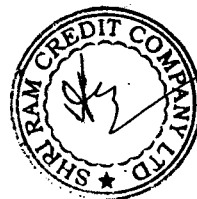
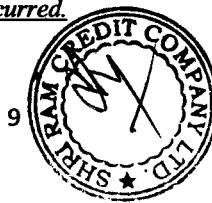
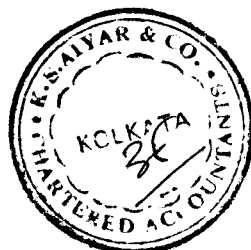
Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities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

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

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

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

Day 1 profit or loss



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Notes forming part of Financial Statements

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

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

5.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

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

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

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

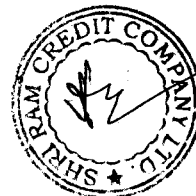
(ii) Dividend Income

Dividend income is recognised

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



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SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

(iii) Rental Income

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

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

(iv) Fees & Commission Income

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

Step 1: Identify contract(s) with a customer

Step 2: Identify performance obligations in the contract

Step 3: Determine the transaction price

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

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

(v) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note – 1.7), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed under “Expenses” in the statement of Profit and Loss.

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

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

5.3 Expenses

(i) Finance costs

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

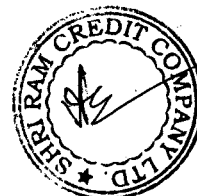
The EIR in case of a financial liability is computed:

- 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



SHRIRAM CREDIT COMPANY LTD
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assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

Other long-term employee benefits

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

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

(iii) Rent Expense:

Identification of Lease:

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

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

Recognition of lease payments:

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

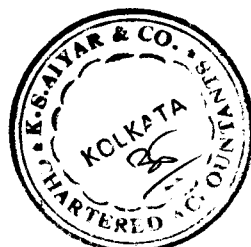
Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

(iv) Other income and expenses

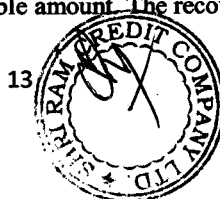
All Other income and expense are recognized in the period they accrue.

(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



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

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

(vi) Taxes

Current Tax

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

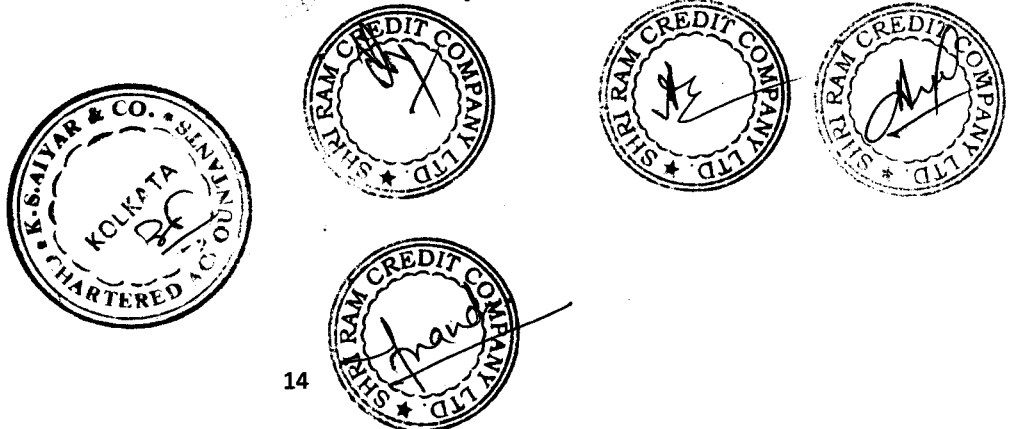
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates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

Deferred tax

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

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

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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

Minimum Alternate Tax (MAT)

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

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

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

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

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

5.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

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

Conversion:

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

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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

5.5 Cash and cash equivalents

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

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

5.6 Property, plant and equipment

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

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

Depreciation

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

5.7 Intangible assets

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

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

5.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs. For transition to Ind AS, the company has elected to adopt as deemed cost, the carrying value of investment property as per Indian GAAP less



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

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

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

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

5.9 Provisions

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

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

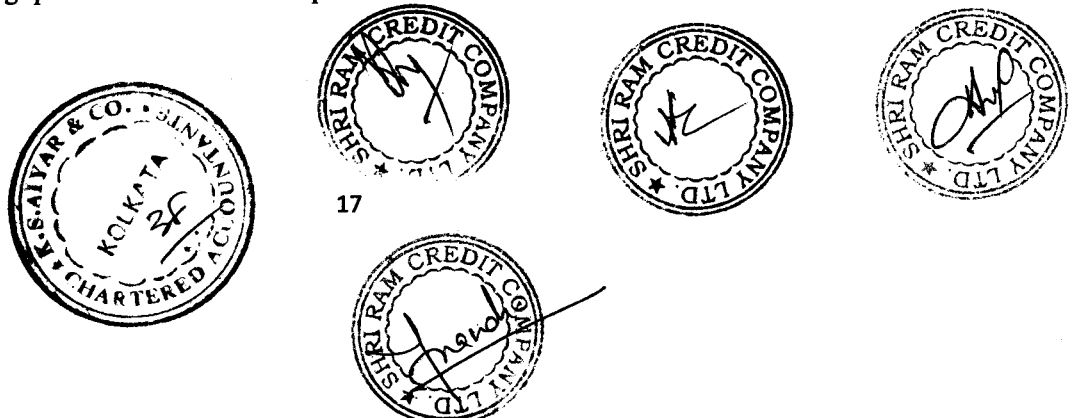
5.10 Contingent Liabilities

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

5.11 Earning Per Share

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

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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

6. Significant accounting judgements, estimates and assumptions

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

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

6.1 Business Model Assessment

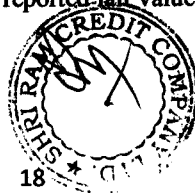
Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes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

6.2 Defined employee benefit assets and liabilities

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

6.3 Fair value measurement:

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



SHRIRAM CREDIT COMPANY LTD
Notes forming part of Financial Statements

6.4 Impairment of loans portfolio

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

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

6.5 Contingent liabilities and provisions other than impairment on loan portfolio

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

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

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

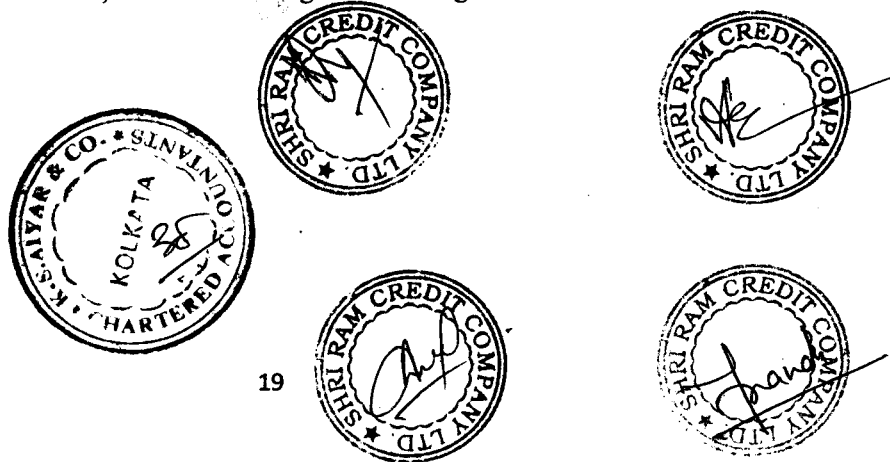
6.6 Effective Interest Rate (EIR) method

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

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

6.7 Other estimates:

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



SHRIRAM CREDIT COMPANY LIMITED

NOTES TO ACCOUNTS

2. Cash and Cash Equivalents

Particulars	As on 31st March 2021	As on 31st March 2020
Cash and cash equivalents		
i. Cash on Hand	1,28,084	46,898
ii. Balance with Scheduled banks in current account(s)	44,02,369	29,02,979
	45,30,453	29,49,877

5. Current tax assets (Net)

Particulars	As on 31st March 2021	As on 31st March 2020
Advance Income Tax (Net of Provisions)	1,55,21,629	1,70,02,304
	1,55,21,629	1,70,02,304

6. Deferred Tax Assets (Net)

Particulars	As on 31st March 2021	As on 31st March 2020
Opening balance	24,49,196	25,20,634
Add: Asset recognized during the period	6,10,898	(71,438)
Closing balance	30,60,094	24,49,196

8. Other Non Financial Assets

Particulars	As on 31st March 2021	As on 31st March 2020
Others	17,75,058	8,06,649
-Less: Non recoverable advances	-	-
	17,75,058	8,06,649

9. Trade Payables

Particulars	As on 31st March 2021	As on 31st March 2020
Sundry Creditor		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	97,174	39,68,723
	97,174	39,68,723

10. Other Financial Liabilities

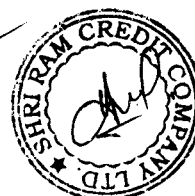
Particulars	As on 31st March 2021	As on 31st March 2020
TDS Payable	5,58,777	6,48,312
Interest Payable on Subordinated Liability	5,55,616	
	11,14,393	6,48,312

11. Provisions

Particulars	As on 31st March 2021	As on 31st March 2020
Provision on Standard asset	9,25,859	8,47,389
Provision for NPA *	29,15,981	35,45,726
Provision for Gratuity	1,44,311	-
Provision for Leave Encashment	60,571	-
	40,46,722	43,93,115

12. Other non financial Liabilities

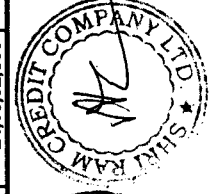
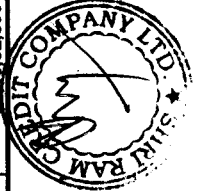
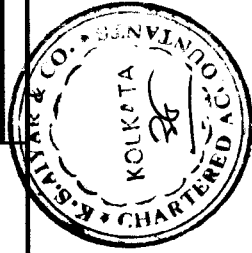
Particulars	As on 31st March 2021	As on 31st March 2020
Other payables	2,96,42,296	8,91,149
	2,96,42,296	8,91,149



SHIRAM CREDIT COMPANY LIMITED

3. Loan

Loans	As on 31st March 2021			As on 31st March 2020		
	Fair Value through Profit & Loss Account	Amortized Cost	Total	Fair Value through Profit & Loss Account	Amortized Cost	Total
(A)						
(i) Bills Purchased and Bills Discounted	-	-	-	-	-	-
(ii) Loan Repayable on Demand	-	24,12,81,890	24,12,81,890	-	23,34,24,527	23,34,24,527
(iii) Others	-	-	-	-	-	-
- Loans and Advances to subsidiaries	-	-	-	-	1,01,49,595	1,01,49,595
- Advances recoverable in Cash or kind	-	51,000	51,000	-	14,32,500	14,32,500
Total (A)- Gross	-	24,13,32,890	24,13,32,890	-	24,50,06,622	24,50,06,622
Less: Impairment Loss Allowance	-	-	-	-	-	-
Total (A)- Net	-	24,13,32,890	24,13,32,890	-	24,50,06,622	24,50,06,622
(B)						
(i) Secured by Tangible Assets						
- Performing Assets	-	23,01,88,163	23,01,88,163	-	21,47,65,808	21,47,65,808
- Non Performing Assets	-	97,19,936	97,19,936	-	1,56,45,570	1,56,45,570
(ii) Secured by Intangible Assets	-	-	-	-	-	-
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	-	-	-	-	-	-
- Loans and Advances to Borrowers (other than related Party)	-	-	-	-	-	-
- Performing Assets	-	13,73,791	13,73,791	-	9,30,289	9,30,289
- Non Performing Assets	-	-	-	-	20,83,060	20,83,060
- Loans and Advances to subsidiaries	-	-	-	-	-	-
- Performing Assets*	-	-	-	-	1,01,49,595	1,01,49,595
- Non Performing Assets	-	-	-	-	-	-
- Advances recoverable in Cash or kind	-	51,000	51,000	-	14,32,500	14,32,500
Total (B)- Gross	-	24,13,32,890	24,13,32,890	-	24,50,06,622	24,50,06,622
Less: Impairment Loss Allowance	-	-	-	-	-	-
Total (B)- Net	-	24,13,32,890	24,13,32,890	-	24,50,06,622	24,50,06,622
(C)						
(i) Loans In India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
- Private Sector	-	-	-	-	-	-
Total (C) (i)- Gross	-	24,13,32,890	24,13,32,890	-	24,50,06,622	24,50,06,622
Less: Impairment Loss Allowances	-	-	-	-	-	-
Total (C) (i) - Net	-	24,13,32,890	24,13,32,890	-	24,50,06,622	24,50,06,622
(ii) Loans Outside India	-	-	-	-	-	-
Total (C) (ii)- Gross	-	-	-	-	-	-
Less: Impairment Loss Allowances	-	-	-	-	-	-
Total (C) (ii) - Net	-	-	-	-	-	-
Total (C)(i) and C(ii)	-	24,13,32,890	24,13,32,890	-	24,50,06,622	24,50,06,622

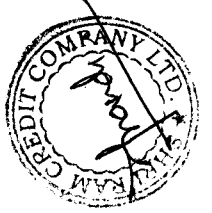
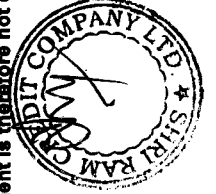


SHIRAM CREDIT COMPANY LIMITED

4. Investments

Investments	As on 31st March 2021		As on 31st March 2020			
	Fair Value through Profit & Loss Account	Amortised at Cost	Total	Fair Value through Profit & Loss Account	Amortised at Cost	Total
Investments						
(A)						
(i) Mutual funds (Current Investment)	-	-	-	6,31,95,519	-	6,31,95,519
IDFC Daily Dividend	-	-	-	82,15,009	-	82,15,009
Shriram Hybrid Equity Fund	1,18,03,473	-	1,18,03,473	17,02,16,413	-	17,02,16,413
ICICI Prudential Fund	92,06,331	-	92,06,331	33,75,265	-	33,75,265
Invesco Mutual funds	-	-	-	-	-	-
(ii) Debt Securities (Current Investment)	-	-	-	-	-	-
(iii) Equity Instruments (Non Current Investment)	-	-	-	-	-	-
- Unquoted at cost	-	-	-	-	-	-
Shriram Fortune Solutions Limited	-	9,00,00,000	9,00,00,000	-	9,00,00,000	9,00,00,000
Shriram Insight Share Brokers Limited	-	16,50,79,500	16,50,79,500	-	3,14,95,000	3,14,95,000
SEA Funds Management India Private Limited	-	1,52,93,092	1,52,93,092	-	1,52,93,092	1,52,93,092
Way 2 Wealth Securities Private Limited	-	62,57,70,629	62,57,70,629	-	-	-
Shriram Financial Product Solutions (Chennai) P Ltd	-	10,00,000	10,00,000	-	10,00,000	10,00,000
Shriram Seva Sankalp Foundation	-	1,40,000	1,40,000	-	1,40,000	1,40,000
Shriram Wealth Advisory Limited *	2,99,99,400	-	2,99,99,400	2,99,99,400	-	2,99,99,400
Less: Diminution in value of Investments	(2,39,99,399)	-	(2,39,99,399)	(2,39,99,399)	-	(2,39,99,399)
- Quoted at cost	-	-	-	-	-	-
Shriram Asset Management Company Limited	-	6,75,48,156	6,75,48,156	-	6,75,48,156	6,75,48,156
(iv) Other Investments (Non Current Investment)	-	-	-	-	-	-
Investments in Redeemable Non Convertible Pref. Shares	-	-	-	-	-	-
Total (A)- Gross	2,70,09,805	1,16,48,31,376	1,19,18,41,181	24,60,02,207	48,54,76,248	73,04,78,455
(B)						
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	2,70,09,805	1,16,48,31,376	1,19,18,41,181	24,60,02,207	48,54,76,248	73,04,78,455
Total (B)- Gross	2,70,09,805	1,16,48,31,376	1,19,18,41,181	24,60,02,207	48,54,76,248	73,04,78,455
Total (A) to be tallied with (B)						
Less: Allowances for Impairment Loss (C)	-	-	-	-	-	-
Total- Net D= (A)-(C)	2,70,09,805	1,16,48,31,376	1,19,18,41,181	24,60,02,207	48,54,76,248	73,04,78,455

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

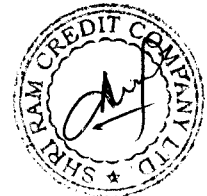
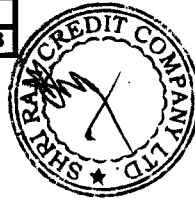


SHRIRAM CREDIT COMPANY LIMITED

7. Property Plant & Equipment

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, 2020	39,094	16,999	21,24,55,298	21,25,11,391	-
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
As at Mar 31, 2021	39,094	16,999	21,24,55,298	21,25,11,391	
Depreciation					
As at Apr 01, 2020	38,216	15,682	1,07,30,065	1,07,83,963	-
Charge for the Period	-	117	21,46,013	21,46,130	
Deletions	-	-	-	-	
As at Mar 31, 2021	38,216	15,799	1,28,76,078	1,29,30,093	
Net Block					
As at Apr 01, 2020	878	1,317	20,17,25,233	20,17,27,428	
As at Mar 31, 2021	877	1,200	19,95,79,220	19,95,81,297	-

Depreciation and amortization	Period ended	
	Mar 31, 2021	Mar 31, 2020
On tangible assets	21,46,130	21,47,093
On intangible assets	-	-
Total	21,46,130	21,47,093



SHRIRAM CREDIT COMPANY LIMITED

13.(a) Share Capital

Particulars	Figures at the end of current reporting Period (31st Mar 2021)		Figures at the end of previous reporting Period (31st Mar 2020)	
	No. of Shares	Rs.	No. of Shares	Rs.
Authorised Share Capital:				
Equity shares of Rs.10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Compulsorily Convertible Preference Shares of Rs. 10/- each	-	-	40,00,000	4,00,00,000
	2,50,00,000	25,00,00,000	2,90,00,000	29,00,00,000
Issued, subscribed and paid up capital:				
Equity share of Rs. 10/- each	2,40,63,129	24,06,31,290	2,40,63,129	24,06,31,290

Terms/rights attached to share holders

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

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

a) Reconciliation of number of equity shares and equity share capital

Particulars	Figures at the end of current reporting Period (31st Mar 2021)		Figures at the end of previous reporting Period (31st Mar 2020)	
	Number	Amount (Rs)	Number	Amount (Rs)
Balance as at the beginning of the year	2,40,63,129	24,06,31,290	2,40,63,129	24,06,31,290
Increase/Decrease	-	-	-	-
Balance as at the end of the year	2,40,63,129	24,06,31,290	2,40,63,129	24,06,31,290

b) Details of shares held by holding company or its ultimate holding company including shares held by subsidiary or associates of holding company or the ultimate holding company

Name of Shareholder	Figures at the end of current reporting Period (31st Mar 2021)		Figures at the end of previous reporting Period (31st Mar 2020)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	2,40,61,889.00	99.99%	2,39,77,269	99.64%

c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	Figures at the end of current reporting Period (31st Mar 2021)		Figures at the end of previous reporting Period (31st Mar 2020)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited (Holding Company)	2,40,61,889	99.99%	2,39,77,269	99.64%

13.(b) Subordinated Liability

Particulars	Figures at the end of current reporting Period (31st Mar 2021)		Figures at the end of previous reporting Period (31st Mar 2020)	
	No. of Shares	Rs.	No. of Shares	Rs.
Authorised Preference Shares:				
6.5% Non - Convertible Cumulative Redeemable Preference Shares (Tenure 10 years)	2,50,00,000	25,00,00,000	-	-
	2,50,00,000	25,00,00,000	-	-
Issued, subscribed and paid up capital:				
Preference share of Rs. 10/- each	2,40,00,000	24,00,00,000	-	-

a) Reconciliation of number of Preference shares

Particulars	Figures at the end of current reporting Period (31st Mar 2021)		Figures at the end of previous reporting Period (31st Mar 2020)	
	Number	Amount (Rs)	Number	Amount (Rs)
Balance as at the beginning of the year	-	-	-	-
Increase/Decrease	2,40,00,000	24,00,00,000	-	-
Balance as at the end of the year	2,40,00,000	24,00,00,000	-	-

b) Details of shares held by holding company or its ultimate holding company including shares held by subsidiary or associates of holding company or the ultimate holding company

Name of Shareholder	Figures at the end of current reporting Period (31st Mar 2021)		Figures at the end of previous reporting Period (31st Mar 2020)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited	2,40,00,000	100.00%	-	-

c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

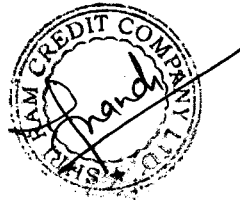
Name of Shareholder	Figures at the end of current reporting Period (31st Mar 2021)		Figures at the end of previous reporting Period (31st Mar 2020)	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Shriram Capital Limited (Holding Company)	2,40,00,000	100.00%	-	-



SHRIRAM CREDIT COMPANY LIMITED

14. Other Equity

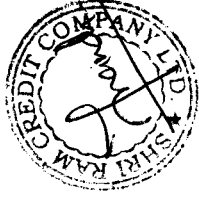
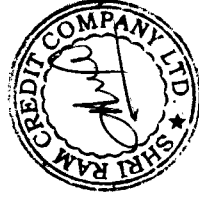
Particulars	As on 31st March 2021	As on 31st March 2020
A. Capital Reserve	25,00,000	25,00,000
B. Statutory Reserve - at the beginning	9,37,84,976	9,29,75,705
Add: Transfer during the period	18,13,808	8,09,271
Statutory Reserve - at the end	9,55,98,784	9,37,84,976
C. Securities Premium Reserve - at the beginning	73,36,52,590	73,36,52,590
Add: Receipts during the period	-	-
Securities Premium Reserve - at the end	73,36,52,590	73,36,52,590
D. General Reserve	15,27,107	15,27,107
E. Surplus - At the beginning	13,66,04,693	13,33,67,610
a. IND AS Adjustment	-	-
b. Non adjustable old service tax input credit	-	-
c. Profit after tax transferred from Statement of Profit and Loss	90,69,040	40,46,354
d. Appropriations		
i. Transfer to Statutory Reserve	(18,13,808)	(8,09,271)
ii. Dividend Paid	-	-
Surplus - Balance at the end of the period	14,38,59,926	13,66,04,693
F. Total Reserves and Surplus (A+B+C+D+E)	97,71,38,407	96,80,69,366



SHIRAM CREDIT COMPANY LIMITED

15. Interest Income

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Interest Income on Financial Assets Classified at fair value through Profit or Loss	On Financial Assets measured at Amortized Cost	On Financial Assets measured at fair value through OCI	Interest Income on Financial Assets Classified at fair value through Profit or Loss	On Financial Assets measured at Amortized Cost	On Financial Assets measured at fair value through OCI
Interest On Loans	3,86,20,712	-	-	3,80,72,162	-	-
Interest Income from Investments	-	-	-	-	-	-
Other Interest Income From Subsidiary	9,12,295	-	-	13,38,599	-	-
Total	3,95,33,007	-	-	3,94,10,761	-	-



SHRIRAM CREDIT COMPANY LIMITED

16. Dividend Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend on Mutual Funds	22,85,897	27,05,486
Total	22,85,897	27,05,486

17. Net Gain on Fair value changes

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Gain/(Loss) on financial instrument at Fair Value through profit & loss	21,98,328	(52,560)
Total	21,98,328	(52,560)

18. Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Income Tax Refund	98,760	-
Profit on sale of Investments (net)	60,89,839	70,29,065
Recovery from Drs. Previously written off as bad Provision no longer required	50,791	46,165
	1,20,017	-
Total	63,59,407	70,75,230

19. Employee Benefits Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salary & Wages	1,64,23,682	1,85,71,656
Contribution to Provident and other funds	85,224	80,094
Provision for Gratuity	1,45,391	-
Provision for Leave Encashment	60,571	-
Total	1,67,14,868	1,86,51,750

20.1 Finance Cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest On Loan From SISBL	66,32,329	-
Interest On SVSL	13,73,973	-
Interest On Subordinated Liability	5,55,616	-
Total	85,61,918	-

20.2 Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Legal Fees	31,220	2,29,500
Professional charges	26,17,642	31,02,000
Rental charges	-	5,69,700
Lease Rent	4,87,500	4,87,500
Directors Sitting Fees	3,47,000	2,56,000
Consulation Charges	-	38,500
Travelling Expenses	2,02,900	6,12,624
Meeting Expenses	3,135	30,751
Processing Fee	16,62,800	-
Interest on Statutory Dues	-	-
Internal Audit Fees	60,000	60,000
Payment to Auditor		
Statutory Audit Fees	4,46,125	4,30,000
Tax Audit Fees	72,625	70,000
Reimbursement of Expenses	4,765	25,023
Total Payment to Auditor	5,23,515	5,25,023
Royalty charges	10,87,032	4,70,820
Other expenses	3,67,105	8,06,511
Total	73,89,849	71,88,929

21. Provisions and write offs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provision for Standard assets	78,470	(1,21,924)
Provision for NPA	(6,29,745)	1,16,342
Bad Debts written off	52,44,827	1,64,48,521
Total	46,93,552	1,64,42,939



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:

Related Party	Relation with Related Party
Shriram Ownership Trust	Promoter Group
Shriram Financial Ventures (Chennai) Private Limited	
Shriram Capital Limited	Holding Company
Shriram Fortune Solutions Limited	Subsidiaries
Shriram Wealth Advisers Limited	
SEA Funds Management India Private Limited	
Way 2 Wealth Securities Private Limited	
Shriram Insight Share Brokers Limited	
Shriram Assets Management Company Limited	
Shriram Financial Product Solutions (Chennai) Private Limited	
Shriram Transport Finance Company Limited	Associates of Holding Company
Shriram City Union Finance Limited	
Shriram General Insurance Company Limited	Fellow Subsidiaries
Shriram Life Insurance Company Limited	
Way 2 Wealth Insurance Brokers Private Limited	
Shriram Overseas Investments Private Limited	
Bharath Investments Private Limited Singapore	
SGI Philippines General Insurance Co. Inc.	
Shriram Value Services Limited	
Novac Technology Solutions Private Limited	Step Down Subsidiary of Holding Company
Novac Digital Services Private Limited	
Way 2 Wealth Brokers Private Limited	Step Down Subsidiary
Way 2 Wealth Commodities Private Limited	
Insight Commodities & Futures Private Limited	
Akhilesh Kumar Singh (Managing Director)	Key Managerial Person (KMP)
Adbhut Shankar Pathak (Chief Financial Officer)	
Trina Nandi (Company Secretary)	

Transactions with Related Parties:

Amount in ₹

Particulars	Holding Company	Subsidiaries	Fellow Subsidiary	Other Person having significant influence / KMP	Total
Royalty Charges					
Shriram Value Services Ltd.				(1,087,032)	(1,087,032)
DP Charges					
Shriram Insight Share Brokers Limited		(1,216)			(1,216)
Interest Cost					
Shriram Insight Share Brokers Limited		(6,632,329)			(6,632,329)
Shriram Value Services Ltd.				(1,373,973)	(1,373,973)
Rental Charges					
Shriram Wealth Advisers Limited		-			-
Interest Income					
Shriram Insight Share Brokers Limited		912,295			912,295
Shriram Wealth Advisers Limited		-			-
Interest on Subordinated Liability					
Shriram Capital Limited	(555,616)	-			(555,616)
Debit Balance outstanding as on 31.03.2021					
Shriram Insight Share Brokers Limited		-			-
Shriram Wealth Advisers Limited		35,704,772			35,704,772
Loan to CFO				558,139	558,139
Credit Balance outstanding as on 31.03.2021					
Shriram Financial Product Solutions (Chennai) Private Limited		-			-
Shriram Insight Share Brokers Limited		201,385,092			201,385,092
Shriram Capital Limited	240,555,616				240,555,616
Investments in Subsidiaries					
Shriram Fortune Solutions Limited		90,000,000			90,000,000
Shriram Wealth Advisers Limited		6,000,001			6,000,001
SEA Funds Management India Private Limited		15,293,092			15,293,092
Way 2 Wealth Securities Private Limited		625,770,629			625,770,629
Shriram Assets Management Company Limited		267,548,156			267,548,156
Shriram Insight Share Brokers Limited		165,079,500			165,079,500
Shriram Financial Product Solutions (Chennai) Private Limited		1,000,000			1,000,000
Salary To Key Managerial Personnel					
Salary Payment to Key Managerial Personnels				8,684,294	8,684,294

Note: Figures shown in brackets represent expenditures.



SHRIRAM CREDIT COMPANY LIMITED

24 Contingent Liabilities not provided for

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income Tax Demand - AY 2002-03 (Rs. 1.63 Lakhs has been paid against order)	10,63,973	10,63,973
Income Tax Demand - AY 2008-09	53,848	53,848
Income Tax Demand - AY 2010-11	93,280	93,280
Income Tax Demand - AY 2012-13	13,24,250	13,24,250
Income Tax Demand - AY 2014-15	7,88,570	7,88,570
Income Tax Demand - AY 2015-16	45,58,531	45,58,531
Income Tax Demand - AY 2017-18	31,99,097	31,99,097
One of the Subsidiary, SISBL has availed of the following facilities from HDFC Bank wherein its Holding Company i.e Shriram Credit Company Limited has provided "Letter of Comfort" to bank.		
Bank Guarantee outstanding: ₹ 16 Crores (partly secured by FD of the Company endorsed in favor of HDFC bank and Mutual Fund Units belonging to company pledged in favor of the bank)	16,00,00,000	16,00,30,000

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.

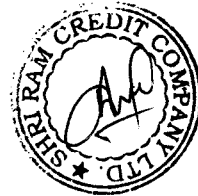
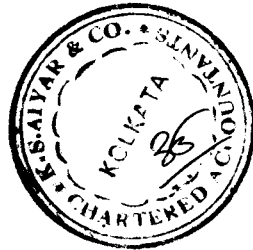
26 Reconciliation of Basic and Diluted shares used in computing earnings per share (As per AS 20)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
No. of shares considered as basic weighted average shares outstanding	2,40,63,129	2,40,63,129
Add: Effect of dilutive issues of shares	-	-
No. of shares considered as basic weighted average and potential shares outstanding	2,40,63,129	2,40,63,129

27 As on 31/03/2021 & 31/03/2020, there were no outstanding dues to MSME units.

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

29 The company has written off ₹ 1,64,48,521/- due from one borrower which was declared as NPA as on 31st March 2019. Company's effort of recovery did not yield any result and accordingly the said amount has been written off in the accounts of FY 2019-20. Due to continuance of COVID 19 pandemic lockdown, no further recovery action have materialised.



SHRIRAM CREDIT COMPANY LIMITED

- 30 Amount due from five borrowers amounting to Rs. 1,49,64,763/- are considered as NPA during year ended 31st March 2021, as it has not been serviced beyond one year. A provision of Rs. 29,15,981/- consisting of 30% on Secured Loan of Rs. 97,19,936/- (based on available market rate of listed equity instruments available as collateral with the company) has been made in accordance with IRAC norms. Balance amount of Rs. 52,44,827/- being unsecured loan has been written off during the year as the company's effort of recovery did not yield any result. Due to continuance of COVID 19 pandemic situation, no further recovery action has materialised till the date of Balance Sheet.
- 31 The company has classified its loan portfolio into Standard and NPA based on various RBI guidelines issued in this regard including the possible impact of COVID 19 pandemic on its borrowers.
- 32 The World Health Organization has declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The Government of India had also announced nationwide lockdown from March 24, 2020 to stop the spread of the pandemic in India. The extent of the impact of the outbreak and the resultant intermittent lockdown on the Company's existence has going concern and financial performance will depend on certain developments, including the duration and spread of the outbreak, lockdown etc. The continuous monitoring of the developments and taking necessary measures to mitigate the impact of the pandemic, the Company have favourable financial results for the year. The directors consider that the Company has adequate financial resources to continue in operational existence for the foreseeable future and therefore, continue to adopt the going concern basis of accounting in preparing the financial statements.
- 33 During the period ended 31st March 2021, the company has acquired 22,83,83,441 no. of shares (96.16%) of Way 2 Wealth Securities Private Ltd. at Rs.2.74 per share amounting to Rs.62,57,70,629/- which is appearing as investment of the company.
- 34 During the year ended 31st March 2021, the company has acquired additional 6,00,000 (20%) equity shares in Shriram Wealth Advisors Limited at Rs. 10 per share amounting to Rs. 60,00,000/- and additional 3,50,000 (10%) equity shares in Shriram Insight Share Brokers Limited at Rs. 381.67 per share amounting to Rs. 13,35,84,500/- which are appearing as investment of the company.
- 35 Previous years figures have been regrouped / rearranged wherever necessary conforming to current year's classification.

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



B. Basu
Partner
Membership No. 017474
UDIN - 21017474AAAA 63064

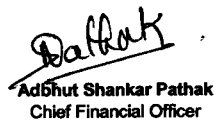
For and on behalf of the Board of Directors of
Shriram Credit Company Limited



Akhilesh Kumar Singh
Vice Chairman
DIN : 00421577



M R Shashibhushan
Managing Director
DIN : 00492377



Adbhut Shankar Pathak
Chief Financial Officer



Trina Nandi
Company Secretary

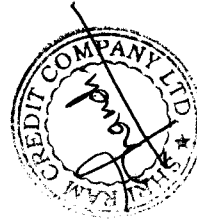
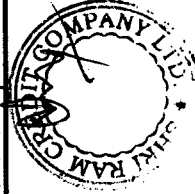
Place : Kolkata
Date: 26.05.2021

Place : Chennai
Date : 21.05.2021



SHRIRAM CREDIT COMPANY LIMITED

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (6)-(5)
Performing Assets						
Standard	Stage 1	23,16,12,954	-	23,16,12,954	-	-
	Stage 2	-	-	-	-	-
Subtotal		23,16,12,954		23,16,12,954		
Non-Performing Assets (NPA)						
Sub - Standard	Stage 3	97,19,936	-	97,19,936	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful						
Loss						
Subtotal for NPA		97,19,936		97,19,936		
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal						
	Stage 1	23,16,12,954	-	23,16,12,954	-	-
	Stage 2	97,19,936	-	97,19,936	-	-
	Stage 3	-	-	-	-	-
Total	Total	24,13,32,890		24,13,32,890		



Shriram Credit Company Limited
Employee benefits

a) Defined contribution plan

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

Particulars	For the period ended 31-03-2021	For the period ended 31-03-2020
Employer's Contribution to Provident Fund (Includes pension fund)	85,224	80,094

b) Defined benefit plans

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

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

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

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

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

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

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

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

Particulars	31-03-2021	31-03-2020
Gratuity (Funded)		
Liability recognized in the Balance Sheet		
Present value of defined benefit obligation		
Opening Balance	1,23,137	-
Current Service Cost	14,272	-
Interest Cost	8,308	-
Actuarial Loss/(Gain) on obligation	(1,408)	-
Closing Balance	1,44,311	-
Expenses during the year		
Current Service cost	14,272	-
Interest cost	8,308	-
Component of defined benefit cost recognized in statement of profit & loss	22,580	-
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(1,408)	-
- Actuarial Loss/(Gain) on Plan Assets	-	-
Component of defined benefit cost recognized in other	(1,408)	-
Total	21,174	-

Particulars	31-03-2021	31-03-2020
Principal actuarial assumptions		
Discount Rate	6.95%	-
Expected rate(s) of salary increase	5.00%	-
Expected return on plan assets	NA	-
Attrition rate	2.00%	-
Mortality rate during employment	Indian Assured Lives Mortality (2008-08) UL	-

Sensitivity Analysis:

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

Particulars	Impact on Defined benefit obligation	
	31-03-2021	31-03-2020
Discount rate - 1% Increase	(20,362)	-
Discount rate - 1% Decrease	24,981	-
Future salary growth - 1% Increase	25,232	-
Future salary growth - 1% Decrease	(20,915)	-
Attrition rate - 1% Increase	5,332	-
Attrition rate - 1% Decrease	(6,117)	-

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

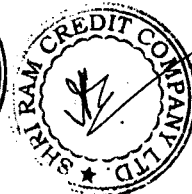
The average expected remaining lifetime of the plan members is 6 years as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

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

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

c) Other long-term employee benefits,

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



Shriram Credit Company Limited
Financial Instruments

A. Capital risk management

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

B. Categories of financial instruments

Particulars	31-03-2021		31-03-2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Loans	24,13,32,890	24,13,32,890	24,50,06,622	24,50,06,622
Other financial assets	3,57,04,772	3,57,04,772	1,74,73,424	1,74,73,424
Investments	1,18,96,42,853	1,18,96,42,853	73,05,31,015	73,05,31,015
Cash and cash equivalents	45,30,453	45,30,453	29,49,877	29,49,877
Total financial assets at amortised cost (A)	1,47,12,19,968	1,47,12,19,968	99,99,66,938	99,99,66,938
Measured at fair value through other comprehensive income (B)				
Measured at fair value through profit and loss (C)	21,96,328	21,96,328	(52,580)	(52,580)
Total financial assets (A+B+C)	1,47,34,09,296	1,47,34,09,296	99,99,66,378	99,99,66,378
Financial liabilities				
Measured at amortised cost				
Trade payables	97,174	97,174	39,68,723	39,68,723
Borrowings	20,13,85,092	20,13,85,092	-	-
Total financial liabilities carried at amortised cost	20,14,82,266	20,14,82,266	39,68,723	39,68,723

C. Financial risk management

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

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

Market risk

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

D. Credit risk management:

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

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

E. Liquidity risk management

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

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

Liquidity exposure as at 31 Mar 2021

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	45,30,453	-	-	45,30,453
Loans	24,13,32,890	-	-	24,13,32,890
Investments				
- Investment in shares of subsidiaries & associates	-	-	1,17,06,91,377	1,17,06,91,377
- Investment in other equity shares	-	-	1,40,000	1,40,000
- Investment in mutual funds	2,10,09,804	-	-	2,10,09,804
Other Financial Assets	3,57,04,772	-	-	3,57,04,772
Total financial assets	30,25,77,918		1,17,06,91,377	1,47,34,69,296
Financial liabilities				
Borrowings	-	20,13,85,092	-	20,13,85,092
Other payables	97,174	-	-	97,174
Other financial liabilities	11,14,393	-	-	11,14,393
Total financial liabilities	12,11,667			20,25,06,659

Liquidity exposure as at 31 Mar 2020

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	29,49,877	-	-	29,49,877
Loans	24,50,06,622	-	-	24,50,06,622
Investments				
- Investment in shares of subsidiaries & associates	-	-	48,53,36,249	48,53,36,249
- Investment in other equity shares	-	-	1,40,000	1,40,000
- Investment in mutual funds	24,50,02,206	-	-	24,50,02,206
Other Financial Assets	1,74,73,424	-	-	1,74,73,424
Total financial assets	51,04,32,129		48,54,76,249	99,59,08,378
Financial liabilities				
Borrowings	-	-	-	-
Other payables	39,68,723	-	-	39,68,723
Other financial liabilities	6,48,312	-	-	6,48,312
Total financial liabilities	46,17,035			46,17,035

F. Level wise disclosure of financial instruments

Particulars	31-03-2021	31-03-2020	Level	Valuation techniques and key inputs
Investment in Mutual funds	21,06,328	(52,580)	1	Quoted prices in active market

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



Shriram Credit Company Limited
INCOME TAXES

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

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

Particulars	For the year ended	
	31-03-2021	31-03-2020
Current tax:		
Current tax	24,13,250	5,00,414
Tax pertaining to earlier years	-	-
Deferred tax	(6,10,808)	71,438
Total	18,02,381	6,01,852

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

Particulars	For the year ended	
	31-03-2021	31-03-2020
Profit before tax	1,86,76,322	47,88,298
Enacted tax rate in India		
Expected income tax expense at statutory tax rate	30,24,124	13,00,823
Tax impact on account of:		
Depreciation under Income-tax Act	(407)	11,842
Provision against loans & advances	(1,53,305)	(1,553)
Expenses allowed only on payment basis	-	-
Expenses not deductible in determining taxable profits	1,54,572	(7,52,006)
Income not taxable - Dividend, Interest from tax free bonds	-	22,988
Deductions allowable under tax laws	(6,11,575)	-
Total	24,13,250	5,00,414
Effective income tax rate	22.20%	12.54%
Tax expenses as per statement of profit and loss excluding earlier year tax, if any	24,13,250	5,00,414
Deferred Tax Provision	-	-

Particulars	As at	As at
	31-03-2021	31-03-2020
Current tax Assets (Net)	1,55,21,620	1,70,02,304

Deferred Tax Liabilities

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

Particulars	As at 31-03-2021	As at 31-03-2020
	Deferred Tax Asset:	
On account of depreciation	42,16,924	12,14,392
Others	(1,32,952)	12,47,444
Deferred Tax Liability:		
Mutual fund and other investments	(10,23,878)	(12,840)
Deferred Tax Asset / (Liabilities) (Net)	30,89,094	24,49,196

Deferred Tax Asset / (Liabilities) in relation to	As at	Recognised/	Recognised in/	As at
	31-03-2020	(reversed) through	reclassified from	31-03-2021
		profit and loss	other	
			comprehensive	
			income	
Depreciation under income tax act	12,14,392	30,02,532	-	42,16,924
Fair Valuation of Mutual funds	(12,840)	(10,11,236)	-	(10,23,878)
Others	12,47,444	(13,80,300)	-	(1,32,952)
Total	24,49,196	6,10,996	-	30,89,094



FORM AOCI

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on 31st March, 2021

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

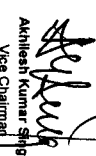
Part 'A': Subsidiary

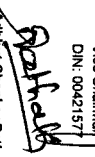
1. Name of the Subsidiary Company	Shriram Fortune Solution Limited	Shriram Wealth Advisors Limited	Shriram Asset Management Company Limited	Shriram Insight Share Brokers Limited	Shriram Financial Products Solutions (Chennai) Private Limited	SEA Funds Management India Private Limited	Way2Wealth Securities Pvt. Ltd.
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company	Same Reporting Period as of Holding Company
3. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4. Share capital	93,940,070	30,000,000	600,000,000	35,000,000	10,000,000	10,801,850	237,507,724
5. Reserves & surplus	95,048,436	(58,938,671)	(45,555,147)	1,367,755,917	632,603,516	15,839,255	162,319,040
6. Total assets	553,745,831	44,292,600	581,491,337	1,979,267,450	840,717,645	28,083,797	2,295,066,339
7. Total Liabilities	553,745,831	44,292,600	581,491,337	1,979,267,450	840,717,645	28,083,797	2,295,066,339
8. Investments	5,002,822	5,002,822	540,110,964	340,407,362	536,400,788	19,307,233	190,500,000
9. Turnover	1,586,062,955	75,109,176	53,121,101	518,242,219	505,172,300	7,131,299	679,376,798
10. Profit before taxation	(11,906,461)	(14,204,718)	(4,643,036)	66,487,798	28,491,685	2,878,867	136,451,191
11. Provision for taxation	-	1,724	303,571	10,663,641	6,168,881	626,301	(4,745,815)
12. Profit after taxation	(11,906,461)	(14,202,994)	(4,646,607)	55,824,157	22,322,804	2,252,567	131,705,376
13. Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL
14. % of shareholding	95.81	100.00	68.67	89.99	100.00	100.00	96.16


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

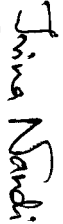
1. Names of subsidiaries which are yet to commence operations : Nil

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


 Akhilesh Kumar Singh
 Vice Chairman
 DIN: 00421577


 Aditya Shankar Pathak
 Chief Financial Officer


 M R Shaanbhujhan
 Managing Director
 DIN: 00492377

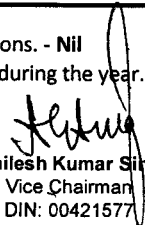

 Trina Nandi
 Company Secretary

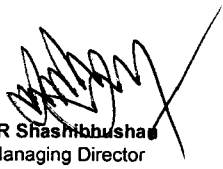
Part "B": Associates and Joint Ventures- NONE

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

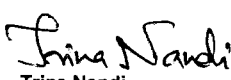
Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	N.A.	N.A.	N.A.
2. Shares of Associate/Joint Ventures held by the company on the year end	N.A.	N.A.	N.A.
No.			
Amount of Investment in Associates/Joint Venture	N.A.	N.A.	N.A.
Extend of Holding %	N.A.	N.A.	N.A.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

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


Akhilesh Kumar Singh
Vice Chairman
DIN: 00421577


M R Shashibhushan
Managing Director
DIN : 00492377


Adbhut Shankar Pathak
Chief Financial Officer


Trina Nandi
Company Secretary