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Independent Auditors' Report

To the Member of
Shriram Housing Finance Limited

Report on the Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of **Shriram Housing Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

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3. Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
a.	**Impairment on Financial Instruments** Ind AS 109 Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation and a significant degree of judgement by the management for development of ECL model and its corresponding application in the ECL model. These judgement and estimates include: 1. Estimating the behavioral life of the product. 2. Data inputs in relation to ECL model. 3. Application of the macroeconomic factors on a forward-looking basis. 4. Modification of assets in terms of restructuring. 5. Determination of loan book segmentation based on homogeneity, probability of defaults, loss given defaults and exposure at default. 6. Compliance with RBI circulars	Read and assessed the Company's accounting policies for impairment of financial instruments (Refer Note 7) and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors. We have evaluated the management response upon implementation of various RBI circulars and tested the implementation of requirements as per these circulars on sample basis. We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual controls, general IT and application controls over key systems used in the ECL process. Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions. We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status.

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	and assess the level of credit impairment of financial instrument. 7. Disclosures as required by IND AS 109 and RBI Circular Refer Note 7 of the financial statements.	Tested a sample of performing (stage I) loans to assess whether any Significant Increase in Credit Risk indicators were present requiring them to be classified under higher stages. We tested the arithmetical accuracy of computation of ECL provision performed by the Company. Obtained written representations from the Management on the reasonableness of the significant assumptions used in computation of ECL provision. We assessed the disclosures included in the Ind-AS financial statements with respect to such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures and also as per RBI Guidelines.
b.	**Evaluation of Company's IT systems and Controls** The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in information systems, such that there exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records being misstated. We identified 'IT systems and controls' as key audit matter because of the high level of automation being used by management and the scale and complexity of the IT architecture.	Our audit procedures include assessment and identification of key IT applications, and further verifying, testing, and reviewing the design and operating effectiveness of the IT system on the basis of reports /returns and other financial and non-financial information generated from the system on a test check basis. Our audit procedures included: a) Obtained an understanding of the IT control environment, IT policies during the audit period. b) Testing IT general controls related to User and Application controls, Change Management Controls and Data

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		backup. Where we identified the need to perform additional procedures, we placed reliance on manual reconciliations between systems and other information sources.

4. Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The above information is not made available to us as at the date of this Auditor's report. We have nothing to report in this regard.

5. Management's Responsibility for the Financial Statements

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

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In preparing the Financial Statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

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

- Identify and assess the risks of material misstatement of the 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 Financial Statements or, if such disclosures are inadequate,

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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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

7. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. As required by section 143(3) of the Act, based on our audit 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.

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

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statement.

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

a) The Company has disclosed the impact of pending litigations as at March 31, 2023, on its financial position in its Financial Statements - Refer Note 47 of Financial Statements;

b) The Company has made provision as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts – Refer Note 17 of Financial Statements;

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

d) (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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(ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

e) During the year the Company has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.

f) As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 01, 2023, reporting under this clause is not applicable for the year end audit.

IV. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act.

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

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Pramod Tilwani
Partner
Membership No. 076650

UDIN: 23076650BGUWJD5272
Place: Mumbai
Date: April 24, 2023

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Annexure A to the Independent Auditor's Report of even date

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

i. **In respect of the Company's Property, Plant and Equipment and Intangible Assets:**

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment whereby all these assets are verified once in three year. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. For the assets where physical verification exercise was completed, no material discrepancies were noticed on such verification.

(c) The title deed of the immovable properties disclosed in the financial statements included under 'Note 11 - Investment Property' is held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

ii (a) The Company is a service company primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus, the provision of clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has been sanctioned working capital limit in excess of Rs 5 crore in aggregate during the year from banks or financial institutions on the basis of security of current assets and the quarterly returns/statements/revised statements filed by the company with such Banks and Financial institutions. As disclosed, by the Management in Note 15.8 of the financial statements and as verified by us, the same are in agreement with the unaudited books of accounts of the Company.

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iii. The Company has not made investments in and provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties. However, the Company has granted secured and unsecured loans to companies, firms, Limited Liability Partnerships and to others parties during the year in respect of which;

(a) Since the Company is principally engaged in providing loans reporting under clause 3(iii)(a) of the Order is not applicable.

(b) In our opinion, the terms and conditions of the loans granted during the normal course of business dueing the year and are, prima facie not prejudicial to the Company's interest.

(c) In respect of loans and advances in nature of loans, granted by the Company during the normal course of its business, having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay in this report (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay. Further for loans where there are delays or defaults in repayment of principal and / or payment of interest as at the balance sheet date, the summary of the same are disclosed by Management in Note 7 (a) of Notes to Financial Statements.

(d) In respect of loans granted by the Company, the overdue amount remaining outstanding as at the balance sheet date is as reported in Note 7(a) of notes of the Financial Statements. The total amount in Stage III amounts to Rs. 6,243.16 Lakh with respect to 297 borrowers (371 loan accounts). The Company has generally taken reasonable steps in its normal course of business for recovery of overdue principal and interest in respect of such loans.

(e) As Company is principally engaged in providing loans, hence the reporting under clause 3(iii)(e) of the Order is not applicable.

(f) The Company has not granted any loans or advances, in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.

iv The Company has not granted any loans, made investments, or provided guarantees and securities which attract the provisions of section 185 and section 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable to the Company;

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v The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being a housing finance company registered with the National Housing Bank, and also the Company has not accepted any deposits from public or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company;

vi The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company;

vii (a) The amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, value added tax, duty of customs and duty of excise;

There were no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues which were in arrears as at 31 March 2023 for a period of more than six months from the date they become payable;

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of Act	Forum	Period (AY)	Amount in Rupees Lakh
Income Tax Act	National Faceless Appeal Center (NFAC)	AY 2021-22	1719.21
Income Tax Act	National Faceless Appeal Center (NFAC)	AY 2020-21	1730.40
Income Tax Act	National Faceless Appeal Center (NFAC)	AY 2018-19	80.48
Income Tax Act	National Faceless Appeal Center (NFAC)	AY 2016-17	51.20

Refer Note 47 of Financial Statements.

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viii There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

ix (a) The Company has not defaulted in the repayment of loans or other borrowings to or in the payment of interest thereon to any lender, during the year;

(b) As disclosed by the management in note 49 and as confirmed to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans availed by the Company during the year have been generally applied for the purpose for which they were obtained other than temporary deployment in liquid assets pending application;

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have prima facie been used for long-term purposes by the Company.

(e) The company does not have any subsidiary or joint ventures. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates' companies;

(f) The company does not have any securities held in its associates and accordingly, the provisions of clause 3 (ix) (f) of the Order is not applicable;

x (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has not raised Equity Share Capital or by way of Right Issue or preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

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(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year;

xii The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to all applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the internal audit reports issued to the Company for the period under audit.

xv During the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi (a) As the Company is a Non-Banking Financial institution and registered under National Housing Bank (NHB) Act, 1987, it has been exempted from the requirement of registration under section 45-IA of the Reserve Bank of India Act; 1934.

(b) The Company has a valid certificate of registration from National Housing Bank;

(c) The Company is not a core investment company and hence reporting under clause (xvi)(c) of the Order is not applicable;

(d) As per information provided in course of our audit, the Group to which the Company belongs has 4 CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016;

xvii The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;

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xviii There has been no resignation of the statutory auditors during the year and hence reporting under clause (xviii) of the Order is not applicable.

xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due;

xx As disclosed by management in footnote to Note 40 of the financial statements and as verified by us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act

xxi Reporting under clause xxi of the Order is not applicable as the same does not have any subsidiary/associates and does not required to present consolidated financial statement.

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

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Pramod Tilwani
Partner
Membership No. 076650

UDIN: 23076650BGUWJD5272
Place: Mumbai
Date: April 24, 2023

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ANNEXURE – B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SHRIRAM HOUSING FINANCE LIMITED

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

1. We have audited the internal financial controls with reference to financial statements of **Shriram Housing Finance Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

   In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

2. 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 ('Act').

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit.

Chadha & Co. LLP
MUMBAI
CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email:mumbai@trchadha.com

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 with reference to financial statements, both applicable to an audit of Internal Financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

T R Chadha & Co. LLP
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Inherent Limitations of Internal Financial Controls with reference to financial statements

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

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

T R Chadha & Co. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Pramod Tilwani
Partner
Membership No. 076650

UDIN: 23076650BGUWJD5272
Place: Mumbai
Date: April 24, 2023

SHRIRAM HOUSING FINANCE LIMITED
Balance Sheet As at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023 Audited	As at March 31, 2022 Audited
I ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	4	42,753.95	5,177.37
(b) Bank balance other than (a) above	5	6,200.20	17,777.36
(c) Derivative financial instrument	17	56.32	-
(d) Receivables	6		
(i) Trade Receivables		-	-
(ii) Other Receivables		22.98	-
(e) Loans	7	6,68,134.78	4,52,214.75
(f) Investments	8	25,688.35	14,047.85
(g) Other financial assets	9	17,928.09	15,569.98
Total financial assets		**7,60,784.67**	**5,04,787.31**
2 Non-financial Assets			
(a) Current tax assets (Net)	10	1,129.40	570.72
(b) Investment property	11	0.28	0.28
(c) Property, plant and equipment	12	1,368.94	540.43
(d) Right of use assets	14	3,808.61	1,421.71
(e) Other intangible assets	13	81.55	309.83
(f) Other non financial assets	15	1,625.03	1,130.89
Total non-financial assets		**8,013.81**	**3,973.86**
3 Assets held for sale	16	5,468.62	8,073.19
Total Assets		**7,74,267.10**	**5,16,834.36**
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
(a) Derivative financial instrument	17	-	5.49
(b) Payables			
(i) Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,922.60	1,406.79
(ii) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt securities	19	1,27,154.28	53,329.62
(d) Borrowings (other than debt securities)	21	4,95,474.08	3,36,337.39
('e) Subordinate Debts	20	6,977.72	-
(e) Lease liabilities	22	3,861.56	1,470.36
(f) Other financial liabilities	23	5,387.17	4,757.47
Total financial liabilities		**6,40,777.41**	**3,97,307.12**
2 Non-financial Liabilities			
(b) Provisions	24	302.10	302.97
(c) Deferred tax liabilities (Net)	42	2,746.45	3,186.28
(d) Other non-financial liabilities	25	522.40	278.68
Total non-financial liabilities		**3,570.95**	**3,767.93**
3 Equity			
(a) Equity share capital	26	32,604.61	32,527.11
(b) Other equity	27	97,314.13	83,232.20
Total equity		**1,29,918.74**	**1,15,759.31**
Total Liabilities and Equity		**7,74,267.10**	**5,16,834.36**
The accompanying notes form an integral part of the financial statements	1-107		

In terms of our report attached
For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No: 06711N/N500028

Pramod Tilwani
Partner
Membership No:076650

Place: Mumbai
Date: 24th April, 2023

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y.S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Puja R Shah
Company Secretary

Place: Mumbai
Date: 24th April, 2023

SHRIRAM HOUSING FINANCE LIMITED.

Statement of Profit and Loss for the Period Ended 31 March, 2023

(₹ in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2023 Audited	For the year ended March 31, 2022 Audited
	Revenue from operations			
(i)	Interest income	28	67,092.06	44,705.01
(ii)	Fees and commission income	29	2,391.33	1,423.56
(iii)	Net gain on fair value changes	30	2,372.65	815.27
(iv)	Net gain on derecognition of financial instruments under amortised cost category	31	6,465.38	5,508.35
(v)	Others	32	937.88	620.81
(I)	**Total Revenue from operations**		79,259.30	53,073.00
(II)	Other income	33	103.30	90.42
(III)	**Total Income (I+II)**		79,362.60	53,163.42
	Expenses			
(i)	Finance costs	34	39,227.67	27,962.90
(ii)	Fees and Commission Expenses	35	304.40	97.15
(iii)	Impairment on financial instruments	36	989.09	1,079.80
(iv)	Net loss on derecognition of financial instruments under amortised cost category	37	960.87	-
(v)	Employee benefits expenses	38	13,034.11	8,523.77
(vi)	Depreciation, amortization and impairment	39	1,360.44	787.02
(vii)	Others expenses	40	6,489.83	3,798.36
(IV)	**Total Expenses (IV)**		62,366.41	42,249.00
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**		16,996.19	10,914.42
(VI)	**Exceptional items**		-	-
(VII)	**Profit/(loss) before tax (V -VI)**		16,996.19	10,914.42
(VIII)	**Tax expense:**			
	(1) Current Tax	41	3,639.02	2,092.65
	(2) Deferred Tax	41	(426.22)	644.48
	(3) Tax adjustment for earlier years	41	7.96	143.16
(IX)	**Profit for the year from continuing operations (VII-VIII)**		13,775.43	8,034.13
(X)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		(49.22)	19.25
	(ii) Income tax relating to items that will not be reclassified to profit or loss		12.39	(4.84)
			(36.83)	14.41
	(i) Items that will be reclassified to profit or loss			
	Cash flow hedge Reserve			
	Gain / (Loss) on Effective portion of hedging instruments in a cash flow hedge		(4.87)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		1.23	-
			(3.64)	-
	Other comprehensive income (i + ii)		(40.47)	14.41
(XI)	**Total Comprehensive Income for the year**		13,734.96	8,048.54
(XII)	**Earnings per equity share (Face Value of Rs.10/-)**			
	Basic (₹)		4.23	2.82
	Diluted (₹)		4.22	2.81
	The accompanying notes form an integral part of the financial statements	1-107		

In terms of our report attached

For T R Chadha & Co LLP

Chartered Accountants

Firm Registration No: 006711N/N500028

Pramod Tilwani

Partner

Membership No:076650

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai

Date: 24th April, 2023

For and on behalf of the Board of Directors

Shriram Housing Finance Limited

Subramanian Jambunathan

Managing Director and CEO

DIN:00969478

Y. S. Chakravarti

Director

DIN:00052308

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Gauri Shankar Agarwal

Chief Financial Officer

Puja R Shah

Company Secretary

Place: Mumbai

Date: 24th April, 2023

SHRIRAM HOUSING FINANCE LIMITED

Cash flow statement for the period ended March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
		Audited	Audited
A) Cash flow from operating activities			
Net profit before taxation		16,996.19	10,914.42
Adjustment for :			
Depreciation, amortization and impairment on PPE & ROU Assets	39	1,360.44	787.02
(Profit)/loss on sale of Property, plant & equipment (net)		0.25	6.46
Interest Income on Loan	28	(64,590.73)	(42,907.96)
Cash Inflow from Interest Income on Loan	28	58,220.50	38,331.14
Finance cost	34	39,227.67	27,962.90
Cash outflow towards Finance Cost	34	(34,826.71)	(26,153.30)
Bad debts written off	36	593.16	755.95
Impairment of financial instruments	36	395.99	324.01
Impairment on lease receivables	36	(0.05)	(0.16)
Dividend received	32	-	(0.41)
Net (gain)/loss on derecognition of investments	30	(2,368.19)	(815.27)
Provision for lease rental		2.12	(8.48)
Interest received on deposit with banks	28	(1,019.72)	(679.89)
Remeasurement of defined employee benefit plans through OCI		(49.22)	19.25
Net (gain)/loss on fair value changes on investments	30	(4.46)	-
Fair valuation of ESOP	38	346.99	149.93
Net (gain)/loss of derecognition of financial instruments under amortised cost category	31	(6,465.38)	(5,508.35)
Net loss on derecognition of financial instruments under amortised cost category	37	960.87	-
Interest income on fair valuation of security deposit	28	(28.65)	(29.33)
Amortisation of investments on PTCs		0.07	1.26
Mortgage guarantee fee written off	40	62.45	7.16
Gain on remeasurement of leases	33	(50.01)	(1.03)
Lease rent waiver	33	(28.61)	(79.88)
Interest income of lease receivable	33	(0.60)	(0.93)
Operating profit before working capital changes		8,734.37	3,074.51
Movement in working capital:			
(Increase) / decrease in loans and advances	7	(1,87,093.12)	(1,13,652.45)
(Increase) / decrease in other non financial assets		830.68	(309.30)
(Increase) / decrease in other financial assets		(2,507.96)	2,336.62
Increase / (decrease) in other non financial liabilities		243.73	16.36
Increase / (decrease) in other financial liabilities		2,276.20	2,456.55
Proceeds from sale of security receipts	8	176.07	160.51
Purchase of investments	8	(8,27,244.95)	(4,40,452.01)
Proceeds from sale of investments	8	8,12,498.12	4,36,881.51
Investment in commercial paper	8	(34,770.10)	(52,693.17)
Proceeds on maturity of commercial paper	8	40,268.69	45,316.93
Investment in fixed deposit		(2,22,768.42)	(1,23,419.68)
Proceeds on maturity of fixed deposits		2,34,286.97	1,15,203.61
Increase / (decrease) in other payables		(0.04)	(61.29)
Cash generated from operation		(1,75,069.76)	(1,25,141.30)
Direct taxes net of refund / (direct taxes paid)		(4,205.66)	(2,387.59)
Net cash flow from/ (used in) operating activities (A)		(1,79,275.42)	(1,27,528.89)
B) Cash flow from investing activities			
Purchase of fixed and intangible assets	12-13	(1,298.68)	(317.85)
Proceeds from sale of fixed assets	12-13	0.67	1.40
Interest received (others)	28	1,019.72	679.89
Net cash flow from/(used in) investing activities (B)		(278.29)	363.44
C) Cash flow from financing activities			
Amount Received From Debt Securities	19	86,646.06	21,000.00
Repayment of Debt Securities	19	(14,225.00)	(25,500.00)
Amount Received from Subordinate Debts	20	7,000.00	-
Issue of equity shares (including share premium)	26-27	77.50	49,913.81
Lease liabilities paid	22	(1,023.52)	(748.88)
Interest paid on lease liabilities	34	(266.20)	(96.04)
Amount Received from borrowings (Other Than Debt Securities)	21	3,18,620.51	1,76,593.99
Repayment of borrowings (Other Than Debt Securities)	21	(1,79,025.75)	(98,883.65)
NCD issue expenses		(673.31)	(49.88)
Net cash flow from/(used in) financing activities (C)		2,17,130.29	1,22,229.35
Net increase / (decrease) in cash and cash equivalents (A+B+C)		37,576.58	(4,936.10)
Cash and cash equivalents at the beginning of the year		5,177.37	10,113.47
Cash and cash equivalents at the end of the year		42,753.95	5,177.37

Component of cash and cash equivalents		As at March 31, 2023	As at March 31, 2022
		Audited	Audited
Cash on hand		0.15	0.01
Balances with banks:			
- Current Account /Cash Credit Account		22,132.96	3,162.00
- in deposit accounts having original maturity less than three months		20,620.84	2,015.36
Total Cash and cash equivalents		42,753.95	5,177.37
The accompanying notes form an integral part of the financial statements	1-107		

In terms of our report attached
For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No: 006711N/N500028

Pramod Tilwani
Partner
Membership No.076650

Place: Mumbai
Date: 24th April, 2023

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Puja R Shah
Company Secretary

Place: Mumbai
Date: 24th April, 2023

Shriram Housing Finance Limited

Statement of changes in equity for the period ended March 31, 2023

a. Equity Share Capital

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the reporting period	**32,527.11**	**21,416.00**
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the reporting period	32,527.11	21,416.00
Changes in equity share capital during the year	77.50	11,111.11
Balance at the end of the reporting period	**32,604.61**	**32,527.11**

b. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Statutory reserve	Share option outstanding Accounts	Securities premium account	Deemed investment (SCUF)	Remeasurement Gain or Loss on defined benefit plans	Retained Earnings	Effective Portion of Cash flow Hedges	
Opening Balance as at April 1, 2021	4,985.49	180.63	12,180.00	183.91	73.92	18,627.10	-	36,231.05
Profit for the year						8,034.13		8,034.13
Additions during year			38,802.70					38,802.70
Remeasurement of the net defined benefit liability/asset					14.40			14.40
Transferred from retained earnings to statutory reserve	1,613.72					(1,613.73)		(0.01)
Transfer to retained earnings						-		-
Share-based payments		149.93						149.93
Balance as at March 31, 2022	**6,599.21**	**330.56**	**50,982.70**	**183.91**	**88.32**	**25,047.50**	**-**	**83,232.20**

(₹ in Lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Statutory reserve	Share option outstanding Accounts	Securities premium account	Deemed Investment (SCUF)	Remeasurement Gain or Loss on defined benefit plans	Retained Earnings	Effective Portion of Cash flow Hedges	
Opening Balance as at April 1, 2022	6,599.21	330.56	50,982.70	183.91	88.32	25,047.50	-	83,232.20
Profit for the year						13,775.43		13,775.43
Additions during year			88.74				(3.65)	85.09
Remeasurement of the net defined benefit liability/asset					(36.84)			(36.84)
Transferred from retained earnings to statutory reserve	2,776.01					(2,776.01)		-
Transfer from retained earnings								-
Transfer to retained earnings								-
Share-based payments		258.25						258.25
Balance as at March 31, 2023	**9,375.22**	**588.81**	**51,071.44**	**183.91**	**51.48**	**36,046.92**	**(3.65)**	**97,314.13**

The accompanying notes form an integral part of the financial statements 1-107

In terms of our report attached
For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No: 006711N/N500028

Pramod Tilwani
Partner
Membership No:076650

T R Chadha & Co. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 24th April, 2023

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

Gauri Shankar Agarwal
Chief Financial Officer

Puja R Shah
Company Secretary

Place: Mumbai
Date: 24th April, 2023

Shriram Housing Finance Limited
Notes forming part of financial statements

1. Corporate Information

Shriram Housing Finance Limited (the Company) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN) is CIN U65929TN2010PLC078004.The Company received its Certificate of Registration from National Housing Bank (NHB) as required under Section 29A of the National Housing Bank Act, 1987, on August 4, 2011. The Company is primarily engaged in the business of providing loans for construction or purchase of residential property and loans against property, Company's non-convertible debentures & commercial papers are listed with BSE limited.

Pursuant to the approval of the Composite Scheme of Arrangement and Amalgamation by the Hon'ble National Company Tribunal, Chennai vide Common Order dated November 14, 2022 together with Corrigendum Order dated November 17, 2022, Shriram City Union Finance Limited was merged with Shriram Transport Finance Limited. Also, as part of the Scheme, the name of Shriram Transport Finance Limited has changed to "Shriram Finance Limited" w.e.f. 30.11.2022.

Since the company was a subsidiary of Shriram City Union Finance Limited before the merger and in view of the above Order, the company became subsidiary of Shriram Finance Limited.

The registered office of the Company is at No. 123, Angappa Naicken Street, Chennai – 600 001.

2. Basis of preparation and presentation

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow and Statement of Changes in Equity are together referred as the financial statement of the Company.

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, under Section 133 of the Companies Act, 2013 (as amended from time to time). The financial statements are prepared and presented on going concern basis and the relevant provisions of the ACT and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank ("NHB") to the extent applicable.

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements for certain financial instruments required or allowed by relevant Ind AS. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The financial statements are presented in Indian Rupees (INR) which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest lakh, except when otherwise indicated.

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

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

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

3. Significant accounting policies

3.1 Use of estimates, judgements 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 recognized in the period in which the estimates are revised and future periods are affected. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(a) Judgements:

Information about judgements made in applying accounting policies that have most significant effect on the amount recognised in the financial statements is included in the following note:

- Note 3.11.1 - Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

(b) Assumptions and estimation of uncertainties:

Information about assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 are included in the following notes:

- Note 3.3(ii) - Defined employee benefit assets and liabilities
- Note 3.13 - Fair value measurement
- Note 3.14 - Impairment of loans portfolio
- Note 3.19 & Note 3.20 - Contingent liabilities and provisions other than impairment on loan portfolio
- Note 3.2(i) & Note 3.3(i) - Effective Interest Rate (EIR) method
- Note 3.3(viii) - Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions
- Note 3.22 – Share based payments

3.2 Revenue from operations

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

(i) Interest and similar income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets measured at amortised cost other than credit-impaired assets and financial assets classified as measured at Fair value through Profit and loss (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

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

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 amount (i.e.net of ECL provision) of the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

(ii) Dividend Income
Dividend income is recognised when the right to receive the payment is established.

(iii) Fees & Commission Income
Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:
Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation

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

(iv) Net gain/loss on Fair value changes
Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 30), held by the Company on the balance sheet date is recognised as an unrealised gain/ loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes "under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain/ loss on fair value changes.

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.

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3.3 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 expenses with the corresponding adjustment to the carrying amount of the liability.

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.

Interest on lease liability is recognized on the basis incremental borrowing rate used for discounting the lease liability.

Net interest on net defined liability of defined employee benefit plan (i.e. interest cost on defined benefit obligation net of any interest income on plan investments) which reflects change in net liability arising from passage of time forms part of finance cost.

(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. 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, 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

Eligible employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service.

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

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company contributes on a lumpsum basis towards the ascertained liabilities to the Trustees – Shriram Housing Finance Limited Employees Group Gratuity Fund Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are 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.

(iii) Leases:
The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to 1st April 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company's lease asset classes consist of leases for buildings, service amenities and furniture therein and motor vehicle.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In case of subleases, the Company assesses whether the sublease is a finance lease or operating lease at its commencement on basis of its contractual terms and conditions. The discount rate used for the head lease is used to measure the investment in the sublease in case it is a finance lease.

In case of leases where Ind AS 116 is not applicable and where the Company has opted for exemption available in Ind AS 116, rent expense 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.

(iv) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flow 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.

(v) Rating Expenses

The company evaluates whether rating fee is directly attributable and incremental to each borrowing/NCD. If such fees are directly attributable to the acquisition of the borrowing, then same is considered for EIR. If such fees are not directly attributable to the acquisition of the borrowing, then the same is charged to Profit and Loss proportionately as and when the borrowing facility is availed.

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Shriram Housing Finance Limited ★ Mumbai

(vi) Mortgage Guarantee Fee not written off

Mortgage Guarantee fee is the guarantee fee paid to a Mortgage Insurance for risk mitigation when any loan becomes Non-Performing Asset. The Company has decided to amortise such fee on straight line basis over the expected life of loan as expected by management or actual life of loan whichever is earlier.

(vii) Other expenses

All Other expenses are recognized in the period they accrue.

(viii) Taxes

Income tax expense comprises of current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

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 where the Company operates and generates taxable income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying unit intends to settle the asset and liability on a net basis.

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, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

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:

1. 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.
2. When receivables and payables are stated with the amount of tax included.

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

As per the extant guidelines issued by the competent authority related to input tax credits. 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.

3.4 Property, plant and equipment

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of Property, plant and equipment (PPE) 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. Subsequent to initial recognition, Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives estimated by the management.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II to Companies Act, 2013	Useful life estimated by Company
Electrical/Electronic installation and equipment	10 years	5 years
Furniture and fixture	10 years	10 years
Office equipment	5 years	5 years
Computer	3 years	3 years
Servers	6 years	6 years

Leasehold improvements are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed annually.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is

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Shriram Housing Finance Limited ★ Mumbai

the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.5 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The Company considers that the useful life of an intangible asset comprising of computer software will not exceed 3 years from the date when the asset is available for use. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/ up to the date of acquisition/sale.
Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.6 Investment Property

Investment property consists of vacant land. Investment properties are measured initially at cost including transaction costs. Investment property being land is not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

3.7 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.

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

Conversion:

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

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

3.8 Assets held for sale:

Assets held for sale comprises of house & land properties, which were held as collaterals against the loans given to customer, whose physical and legal possessing has been taken over by the company due to customers' default on repayment of the loan. Management intends to sell these properties for which regular auctions are conducted. Such assets are classified as held for sale when their carrying amount is intended to be recovered principally through sale rather than through continued use.

At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value plus directly attributable cost related to Asset recovered under SARFESAI Act. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a revised valuation.

Asset will have to be sold within three years from possession date and if the investment in such properties (land and buildings) exceeds 20% of capital fund as per NBFC – Housing Finance Company (Reserve Bank) directions, 2021 (of which such investment over and above 10% of owned fund shall be in residential units), the excess shall be written off.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise the 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, balance with banks and short- term deposits, as defined above

3.10 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

3.11.1 Financial Assets

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Shriram Housing Finance Limited Mumbai

3.11.1.1 Classification

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(FVOCI)
3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

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:

1. *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:

   a. 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
   b. 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
   c. 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)
   d. 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.

2. *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.

3.11.1.2 Initial Recognition –Financial assets are initially recognised at fair value.

3.11.1.3 Subsequent Measurement

Financial assets measured at amortised cost

Debt instruments

Debt instruments are measured at amortised cost where they have:

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

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 using the effective interest rate (EIR) method.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. The measurement of credit impairment is based on the three-stage expected credit loss model described below in Note 3.14 Impairment of financial assets.

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 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. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost. The expected credit loss model is described below in Note 3.14 Impairment of financial assets.

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 can be 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.

Financial assets measured 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.

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

3.11.2 Financial Liabilities & Equity Instruments
3.11.2.1 Classification as debt or equity
Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

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.

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.

3.11.2.2 Initial Measurement
Financial liabilities are initially measured fair value minus, in case of financial liability not at FVTPL, transaction costs directly attributable to acquisition or issue. The company's financial liabilities include loans and borrowings and other payables.

3.11.2.3 Subsequent Measurement
Financial liabilities, except those at FVTPL, are subsequently carried at amortized cost using the effective interest method. 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.

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3.11.3 Embedded Derivatives

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

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

3.11.4 Financial Guarantees

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

Financial guarantees received are recognised in the financial statements at fair value of the premium paid. In case of guarantees received without consideration from group companies, the fair value of premium payable over the life of the guarantee is recognised as deemed investment. The fair value of premium is recognised as expense in the statement of profit and loss on a straight-line basis over the life of the guarantee.

3.11.5 Derivatives

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

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

Hedge Accounting:

The Company has adopted hedge accounting. The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. The Company has formally designated and documented the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving

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offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge:
A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in other comprehensive income as cash flow hedge reserve. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

3.12 Reclassification of financial assets and liabilities
The Company reclassifies a financial asset or a group of financial assets only on change in business model for managing that financial asset or group of financial assets. Financial liabilities are never reclassified.

3.13 Determination of fair value
On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 3.11 above) at fair value on each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability, or
ii) In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company

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

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

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

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

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 as 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 inputs those are significant to the measurement as whole.

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

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

3.14 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 and loan commitments, lease receivables, and financial assets held at FVOCI; in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

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

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Shriram Housing Finance Limited ★ Mumbai

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 housing loan, non-housing loan, and project finance.

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 1:12-months ECL

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 loan advances up to 30 days default under this category. Stage 1 loan advances also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2. For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI the investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch downward in the credit rating.

Stage 2: Lifetime ECL – not credit-impaired

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. More than 30 Days Past Due is considered as significant increase in credit risk. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI, in case there is a downgrade in credit rating by two or more notches, the investment is taken as at Stage 2 and life time PD is applied.

Stage 3: Lifetime ECL – credit impaired

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. More than 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

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Upgradation of accounts classified as Stage 3/Non-performing assets (NPA) - The Company upgrades loan accounts classified as Stage 3/NPA to "standard" asset category only if the entire arrears of interest, principal are paid by the borrower and there is no change in the accounting policy followed by the company in this regard.

For Investments measured at FVOCI, any investment which is non performing or in default or restructured is taken to be as at Stage 3.

Credit-impaired financial assets:

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

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

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

e) The disappearance of an active market for a security because of financial difficulties.

ECLs are recognised as impairment on financial instruments in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date, the Company does not have any debt instruments measured at fair value through OCI.

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. As at the reporting date, the Company does not have any such instruments.

Undrawn Loan commitments

ECL is calculated on the undrawn loan commitments considering of same stage for part disbursed cases and Stage 1 for fully undisbursed cases. This is shown in the balance sheet as a provision.

Lease receivables

The Company has adopted simplified approach for ECL on lease receivable and calculates Lifetime ECL using inputs similar to those used for loan portfolio.

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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. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

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 in respect of assets which has defaulted.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, wherever possible. The collateral comes in the form of immovable properties. The fair value of collateral affects the calculation of ECLs. Collateral is valued based on data provided by independent valuer.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

3.15 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

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

to the statement of profit and loss. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

3.16 Recognition and derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the cheque is issued or funds are transferred to the customers

b) Investments are initially recognised on the settlement date.

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

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

Derecognition

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 derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets

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

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

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

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

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

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

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.

When, as a result of transfer, a financial asset is derecognised in its entirety but the transfer results in the Company obtaining a new financial asset, the Company recognises the new financial asset at fair value.

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.

3.17 Deemed investment

Fair value of corporate guarantee taken from Holding company is recognised as Deemed Investment and corresponding effect has been fully amortized.

3.18 Offsetting

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 and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all of 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

3.19 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 company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. As at

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

reporting date, the Company does not have any such provision where effect of time value of money is material. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

3.20 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. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

3.21 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 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.

3.22 Employee Stock Option Plan

Employees of the Company receive remuneration in the form of equity settled share-based payments in consideration of the services rendered.

The Company recognizes compensation expense relating to share-based payments as employee benefit expenses' with a corresponding increase in equity, over the vesting period, using the grant date fair-value of the option in accordance with Ind AS 102, Share-based Payments. The grant date fair value of the options is calculated using the Black-Scholes model.
The estimated fair value of the awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share options outstanding account. At the end of each reporting period, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

3.23 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) on March 31, 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after April 01, 2023.

T R Co. LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

a) IND AS 1 – Presentation of Financial Statements – This amendment requires the Company to disclose its material accounting policies rather than their significant accounting policies.

The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.

The Company does not expect this amendment to have any material impact in its financial statements.

b) IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has changed the definition of a "change in accounting estimates" to a definition of "accounting estimates". The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The Company does not expect this amendment to have any material impact in its financial statements.

c) IND AS 12 – Income Taxes - This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.

The Company does not expect this amendment to have any material impact in its financial statements.

T R Chadha & Co. LLP CHARTERED ACCOUNTANTS MUMBAI

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 4: Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.15	0.01
Balances with banks		
- in current accounts	22,132.96	3,162.00
- in deposit accounts having original maturity less than three months	20,620.84	2,015.36
Total	**42,753.95**	**5,177.37**

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates.

Note 5: Bank balance other than above

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Other Bank Balances		
Fixed deposit with original maturity for more than 3 months but up to 12 months	9.38	16,156.13
Fixed deposit with original maturity of more than 12 months	198.33	166.59
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments*	5,992.49	1,454.64
Total	**6,200.20**	**17,777.36**

*Fixed deposit is under lien for bank Guarantee purpose to the extent for Rs 33.10 Lakh (March 31, 2022 Rs. 25.00 Lakh)
*Fixed deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of Rs. 110.00 Lakh (March 31, 2022 Rs. 110.00 Lakh)
*Fixed deposit is under lien to the extent for Rs 4727.29 Lakh (March 31, 2022 Rs. 1298.50 Lakh) marked in favour of "IDBI Trusteeship Services Limited" in respect to securitization as cash collateral.
*Fixed Deposit is under lien to extent of Rs 22.10 lakh (March 31, 2022 Rs. 21.14 Lakh) in favour of ICICI Bank in respect of sourcing and servicing agreement.
*Fixed Deposit is under lien to extent of Rs 1100 lakh (March 31, 2022 NIL) marked in favour of Catalyst Trusteeship Limited toward DSRA requirement of Life Insurance Corporation of India who is the investor for issuance of NCD Series XXVIII

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 6: Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, considered good	-	-
Unsecured, considered good	22.98	-
Unsecured, considered Doubtful	-	-
Total	22.98	-

Other receivable ageing schedule as at March 31, 2023

(₹ in Lakhs)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed other receivables – considered good	-	-	22.98	-	-	-	-	22.98
(ii) Undisputed other receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed other receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed other receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed other receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed other receivables – credit impaired	-	-	-	-	-	-	-	-
Gross	-	-	22.98	-	-	-	-	22.98

Other receivable ageing schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed other receivables – considered good	-	-	-	-	-	-	-	-
(ii) Undisputed other receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed other receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed other receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed other receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed other receivables – credit impaired	-	-	-	-	-	-	-	-
Gross	-	-	-	-	-	-	-	-

The managements expects no default in receipt of other receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on other receivables.
There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

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SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 7: Loans

(₹ in Lakhs)

Particulars	As at March 31, 2023						As at March 31, 2022					
	Amortised Cost	At Fair value			Sub-total	Total	Amortised Cost	At Fair value			Sub-total	Total
		Through other comprehensive income	Through profit or loss	Designated at through profit or loss				Through other comprehensive income	Through profit or loss	Designated at through profit or loss		
(A)												
i) Term loans	6,73,364.03	-	-	-	-	6,73,364.03	4,57,453.53	-	-	-	-	4,57,453.53
Total (A) - Gross	6,73,364.03	-	-	-	-	6,73,364.03	4,57,453.53	-	-	-	-	4,57,453.53
Less : Impairment loss allowance	(5,229.25)	-	-	-	-	(5,229.25)	(5,238.78)	-	-	-	-	(5,238.78)
Total (A) - Net	6,68,134.78	-	-	-	-	6,68,134.78	4,52,214.75	-	-	-	-	4,52,214.75
(B)												
i) Secured by tangible assets	6,64,416.30	-	-	-	-	6,64,416.30	4,55,245.92	-	-	-	-	4,55,245.92
ii) Secured by book debts	8,856.80					8,856.80	2,207.61	-	-	-	-	2,207.61
iii) Unsecured	90.93					90.93	-	-	-	-	-	-
Total (B) - Gross	6,73,364.03	-	-	-	-	6,73,364.03	4,57,453.53	-	-	-	-	4,57,453.53
Less : Impairment loss allowance	(5,229.25)	-	-	-	-	(5,229.25)	(5,238.78)	-	-	-	-	(5,238.78)
Total (B) - Net	6,68,134.78	-	-	-	-	6,68,134.78	4,52,214.75	-	-	-	-	4,52,214.75
(C)												
Loans in India												
i) Public sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others												
Individuals	5,86,864.13					5,86,864.13	3,84,227.26					3,84,227.26
Corporates	86,499.90					86,499.90	73,226.27					73,226.27
Total - Gross	6,73,364.03	-	-	-	-	6,73,364.03	4,57,453.53	-	-	-	-	4,57,453.53
Less: Impairment Loss Allowance	(5,229.25)	-	-	-	-	(5,229.25)	(5,238.78)	-	-	-	-	(5,238.78)
Total - Net	6,68,134.78	-	-	-	-	6,68,134.78	4,52,214.75	-	-	-	-	4,52,214.75
Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	6,68,134.78	-	-	-	-	6,68,134.78	4,52,214.75	-	-	-	-	4,52,214.75

7(a) **Credit quality of assets**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification.

(₹ in Lakhs)

Particulars	Year ended March 31, 2023					Year ended March 31, 2022				
	Count	Stage 1	Stage 2	Stage 3	Total	Count	Stage 1	Stage 2	Stage 3	Total
Internal rating grade										
Performing										
High grade	40507	6,45,662.90			6,45,662.90	25456	4,33,032.87			4,33,032.87
Standard grade	808	11,487.77			11,487.77	819	9,603.62			9,603.62
Sub-standard grade	482		7,573.12		7,573.12	399		6,056.15		6,056.15
Past due but not impaired	102		2,397.08		2,397.08	44		881.21		881.21
Non- performing :										
Individually impaired	371			6,243.16	6,243.16	485			7,879.68	7,879.68
Total	42270	6,57,150.67	9,970.20	6,243.16	6,73,364.03	27203	4,42,636.49	6,937.36	7,879.68	4,57,453.53

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SHRIRAM HOUSING FINANCE LIMITED

MUMBAI

Reconciliation of gross carrying amount is given below:

(₹ in Lakhs)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	4,42,636.49	6,937.36	7,879.66	4,57,453.52	3,24,597.23	11,590.33	6,422.18	3,42,609.74
New assets originated or purchased	4,13,783.39	540.78	271.95	4,14,596.12	2,73,695.95	185.87	33.30	2,73,915.12
Assets derecognised or repaid (excluding write offs)	(1,91,727.21)	(2,330.22)	(4,628.18)	(1,98,685.61)	(1,53,734.30)	(2,603.66)	(2,403.07)	(1,58,741.03)
Transfers to Stage 1	4,200.01	(2,479.79)	(1,720.22)	(0.00)	7,554.16	(7,145.60)	(408.56)	-
Transfers to Stage 2	(8,166.07)	8,361.47	(195.40)	0.00	(6,389.60)	6,520.87	(131.27)	(0.00)
Transfers to Stage 3	(3,575.94)	(1,059.41)	4,635.35	-	(3,086.95)	(1,610.45)	4,697.40	-
Amounts written off				-			(330.30)	(330.30)
Gross carrying amount closing balance	**6,57,150.67**	**9,970.19**	**6,243.16**	**6,73,364.02**	**4,42,636.49**	**6,937.36**	**7,879.66**	**4,57,453.53**

Reconciliation of ECL balance is given below:

(₹ in Lakhs)

Particulars	Year ended March 31, 2023					Year ended March 31, 2022				
	Stage 1	Stage 2	Stage 3	Additional Provision	Total	Stage 1	Stage 2	Stage 3	Additional Provision	Total
ECL allowance - opening balance	3,179.06	216.00	1,843.72		5,238.79	2,162.16	272.68	1,406.67	1,000.00	4,841.51
New assets originated or purchased	1,473.15	12.94	89.05		1,575.14	1,689.97	8.05	7.60		1,705.62
Assets derecognised or repaid (excluding write offs)	(1,731.24)	(31.12)	(1,226.34)		(2,988.70)	(868.02)	(83.43)	(540.33)		(1,491.78)
Transfers to Stage 1	376.20	(76.21)	(299.99)		-	258.04	(165.01)	(93.03)		-
Transfers to Stage 2	(56.15)	15.61	40.54		-	(42.37)	73.25	(30.88)		-
Transfers to Stage 3	(26.97)	(35.64)	62.60		-	(20.72)	(39.61)	60.33		-
Impact on year end ECL of exposures transferred between stages during the year		325.61	1,078.40		1,404.01	-	150.07	1,106.23		1,256.30
Amounts written off					-			(72.87)		(72.87)
Additional provision					-				(1,000.00)	(1,000.00)
ECL allowance - closing balance	**3,214.05**	**427.19**	**1,587.98**	**-**	**5,229.24**	**3,179.06**	**216.00**	**1,843.72**	**-**	**5,238.78**

During the year out of loan balance, written off Rs. Nil (March 31, 2022: Rs. 330.30 Lakh), Rs. Nil (March 31, 2022: Rs. 328.86 Lakh) are subject to enforcement activity by the company.

7(b) **Loans granted by the Company are secured by any or all of the following as applicable, based on their categorisation:**
a) Equitable / registered mortgage of property.
b) Hypothecation on loan receivables
c) Undertaking to create a security.
d) The personal guarantees of borrowers.
e) Assignment of insurance policies.

7(c) Company has obtained guarantee on pool of home loan contracts sourced up to financial year 2018-19 with a mortgage guarantee extended by India Mortgage Guarantee Corporation Pvt. Ltd (IMGC). The guarantee from IMGC helps in mitigating credit losses.

7(d) There were no loans given against collateral of gold jewellery during the year (March 31, 2022 Rs. Nil).

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Shriram Housing Finance Limited ★ Mumbai

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the year ended March 31, 2023

Note 7(e): A comparison between provisions required under Income recognition, asset classification and provision norms (IRACP) and impairment allowances made under IND AS 109

For the year ended March 31, 2023

(₹ in Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Standard	Stage 1	6,57,150.67	3,214.05	6,53,936.62	3,151.58	62.47
	Stage 2	9,970.20	427.21	9,543.00	334.79	92.41
Subtotal		6,67,120.87	3,641.26	6,63,479.62	3,486.37	154.88
Non-Performing Assets (NPA)						
Substandard	Stage 3	5,017.85	1,251.36	3,766.49	688.68	562.67
Doubtful - up to 1 year	Stage 3	891.19	252.67	638.52	202.09	50.58
1 to 3 years	Stage 3	334.12	83.97	250.15	100.93	(16.97)
More than 3 years	Stage 3	-		-		
Subtotal for doubtful		1,225.31	336.64	888.67	303.02	33.61
Loss	Stage 3	-	-	-		
Subtotal for NPA		6,243.16	1,587.99	4,655.15	991.71	596.29
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income recognition, asset classification and provisioning (IRACP) norms	Stage 1	55,379.31	201.53	55,177.78	-	201.53
	Stage 2	185.37	2.43	182.93	-	2.43
	Stage 3	-	-	-	-	-
Subtotal		55,564.68	203.96	55,360.71	-	203.96
Total	Stage 1	7,12,529.98	3,415.58	7,09,114.40	3,151.58	264.00
	Stage 2	10,155.57	429.64	9,725.93	334.79	94.84
	Stage 3	6,243.16	1,587.99	4,655.17	991.71	596.29
	Management overlay - COVID19			-	-	-
	Total	7,28,928.71	5,433.21	7,23,495.50	4,478.08	955.13

For the year ended March 31, 2022

(₹ in Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Standard	Stage 1	4,42,636.49	3,179.06	4,39,457.43	2,908.50	270.56
	Stage 2	6,937.36	216.00	6,721.36	149.91	66.09
Subtotal		4,49,573.85	3,395.06	4,46,178.79	3,058.41	336.65
Non-Performing Assets (NPA)						
Substandard	Stage 3	4,812.64	1,057.26	3,755.38	677.79	379.47
Doubtful - up to 1 year	Stage 3	1,085.78	303.27	782.51	232.15	71.12
1 to 3 years	Stage 3	1,253.56	316.62	936.94	386.27	(69.65)
More than 3 years	Stage 3	727.70	166.57	561.13	522.87	(356.30)
Subtotal for doubtful		3,067.04	786.46	2,280.58	1,141.29	(354.83)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		7,879.68	1,843.72	6,035.96	1,819.08	24.64
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income recognition, asset classification and provisioning (IRACP) norms	Stage 1	46,273.06	266.48	46,006.58	-	266.48
	Stage 2	129.42	5.18	124.24	-	5.18
	Stage 3	-	-	-	-	-
Subtotal		46,402.48	271.66	46,130.82	-	271.66
Total	Stage 1	4,88,909.55	3,445.54	4,85,464.01	2,908.50	537.04
	Stage 2	7,066.78	221.18	6,845.60	149.91	71.27
	Stage 3	7,879.68	1,843.72	6,035.96	1,819.08	24.64
	Management overlay - COVID19			-	-	-
	Total	5,03,856.01	5,510.44	4,98,345.57	4,877.49	632.95

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SHRIRAM HOUSING FINANCE LIMITED
MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the year ended March 31, 2023

Note 7(f): Details of resolution plan implemented under the Resolution framework for COVID - 19-related stress as per RBI circular dated August 06, 2020 (Resolution framework 1.0) and May 05, 2021 (Resolution framework 2.0), as at March 31, 2023 are given below:

(₹ in Lakhs)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan — position as at the end of the previous half-year i.e. September 30, 2022 (A)#	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31,2023	Of (A) amount written off during the half-year	Of(A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan — position as at the end of this half-year i.e. March 31, 2023#^
Personal Loans*	10,908.88	871.61	-	747.86	9,563.76
Corporate persons	1,463.49	-	-	42.26	1,438.71
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**12,372.37**	**871.61**	-	**790.12**	**11,002.47**

As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
excludes other facilities to the borrowers which have not been restructured
^ include additions due to interest capitalization
*Personal loans includes housing loans & non housing loans

Note 7(g): There are no loans or advances granted to promoters, directors, KMPs and related parties (as defined under Companies Act, 2013), either severally or jointly with any other person without specifying any terms or period of repayments or repayable on demands (March 31, 2022 Rs. Nil).

Note 7(h):Emergency Credit Line Guarantee Scheme (ECLGS)

Particulars	As at March 31, 2023	As at March 31, 2022
No. of Loans	151	244
Amount outstanding (₹ in Lakhs)	767.73	2,936.59

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Shriram Housing Finance Limited ★ Mumbai

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 8 :Investments

(₹ in Lakhs)

Particulars	As at March 31, 2023						
	Amortised cost	At Fair value				Others	Total
		Through other comprehensive income	Through profit or loss	Designated at fair value through profit & loss	Sub-total		
i) Mutual funds	-	-	7,504.46	-	7,504.46	-	7,504.46
ii) Pass through certificates (unquoted)	1,092.94	-	-	-	-	-	1,092.94
iii) Security receipts	-	-	643.63	-	643.63	-	643.63
iv) Investment in commercial paper	1,907.12	-	-	-	-	-	1,907.12
v) Investment in treasury bill	-	-	-	-	-	-	-
vi) Investment in Government Securities	6,766.50	-	-	-	-	-	6,766.50
vii) Investment in state development loan	3,042.17	-	-	-	-	-	3,042.17
viii) Investment in Market Linked Debentures	4,732.26	-	-	-	-	-	4,732.26
Total Gross (A)	17,540.99	-	8,148.09	-	8,148.09	-	25,689.08
i) Investments outside India	-	-	-	-	-	-	-
ii) Investments in India	17,540.99	-	8,148.09		8,148.09	-	25,689.08
Total Gross (B)	17,540.99	-	8,148.09	-	8,148.09	-	25,689.08
Less : Allowance for impairment loss (C)	(0.73)	-	-		-	-	(0.73)
Total - Net D = (A) + (C)	17,540.26	-	8,148.09	-	8,148.09	-	25,688.35

Particulars	As at March 31, 2022						
	Amortised cost	At Fair value				Others	Total
		Through other comprehensive income	Through profit or loss	Designated at fair value through profit & loss	Sub-total		
i) Mutual funds	-	-	-	-	-	-	-
ii) Pass through certificates (unquoted)	884.42	-	-	-	-	-	884.42
iii) Security receipts	-	-	819.72	-	819.72	-	819.72
iv) Investment in commercial paper	7,444.64	-	-	-	-	-	7,444.64
v) Investment in treasury bill	4,901.02	-	-	-	-	-	4,901.02
vi) Investment in Government Securities							
vii) Investment in state development loan	5.00	-	-	-	-	-	5.00
viii) Investment in Market Linked Debentures	-	-	-	-	-	-	-
Total Gross (A)	13,235.08	-	819.72	-	819.72	-	14,054.80
i) Investments outside India	-	-	-	-	-	-	-
ii) Investments in India	13,235.08	-	819.72		819.72	-	14,054.80
Total Gross (B)	13,235.08	-	819.72	-	819.72	-	14,054.80
Less : Allowance for impairment loss (C)	(6.95)	-	-		-	-	(6.95)
Total - Net D = (A) + (C)	13,228.13	-	819.72	-	819.72	-	14,047.85

Credit quality of assets
The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification.
The amounts presented are gross of impairment allowances . Details of the Company's internal grading system are explained in note 53

(₹ in Lakhs)

Internal Grade Rating	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High Grade	16,448.06			16,448.06	12,350.66	-	-	12,350.66
Standard grade	1,092.94			1,092.94	884.42	-	-	884.42
Non Performing	-			-	-	-	-	-
Total	17,541.00	-	-	17,541.00	13,235.08	-	-	13,235.08

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value - Opening balance	14,054.80	7,412.02
New assets originated or purchased	8,62,248.05	4,90,848.04
Change in fair value	4.46	-
Assets derecognised or matured	(8,50,618.23)	(4,84,205.26)
Fair value - Closing balance	25,689.08	14,054.80

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance in ECL	6.95	2.04
New assets originated or purchased	6.25	6.25
Assets derecognised or matured (excluding write offs)	(12.47)	(1.34)
ECL assumption changes		
Closing balance in ECL	0.73	6.95

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

T R Chadha & Co. LLP CHARTERED ACCOUNTANTS MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 9: Other financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	378.53	457.70
Net lease receivable	4.56	8.27
Less : Impairment loss allowance on lease receivables	(0.04)	(0.09)
Excess interest spread receivable on assignments	17,559.05	15,134.73
Less : ECL on excess interest spread receivable on assignments	(107.37)	(127.93)
Advance against Salary	61.20	24.73
Other receivables	32.16	72.57
Total	**17,928.09**	**15,569.98**

Reconciliation of impairment allowance

(₹ in Lakhs)

Particulars	General approach				Simplified approach
	Excess interest spread receivable on assignments				Net lease receivable
	Stage 1	Stage 2	Stage 3	Total	
Impairment allowance as per March 31, 2021	**310.22**	**23.87**	**36.27**	**370.36**	**0.25**
Add: Addition/(Reduction) during the year	(197.64)	(16.93)	(27.87)	(242.44)	(0.16)
Impairment allowance as per March 31, 2022	**112.58**	**6.94**	**8.40**	**127.93**	**0.09**
Add: Addition/(Reduction) during the year	(32.16)	(2.14)	13.75	(20.56)	(0.05)
Impairment allowance as per March 31, 2023	**80.42**	**4.80**	**22.15**	**107.37**	**0.04**

Note 10: Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax & self assessment tax (Net of cumulative provision for Income tax)	1,129.40	570.72
Total	**1,129.40**	**570.72**

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

Note 11. Investment property

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
	Land-Freehold	Land-Freehold
At cost or fair value at the beginning of the year	0.28	0.28
Additions	-	-
Disposals	-	-
At cost or fair value at the end of the year	**0.28**	**0.28**
Depreciation and Impairment		
Accumulated depreciation and impairment as at the beginning of the year	-	-
Depreciation charge for the year	-	-
Disposals	-	-
Accumulated depreciation and impairment as at the end of the year	-	-
Net carrying amount as at the end of the year	0.28	0.28

Fair value of investment property as on March 31, 2023 Rs. 0.28 lakh (March 31, 2022 : Rs. 0.28 lakh)
The Company confirms that the title deeds of immovable properties are held in the name of the Company.
Investment property having net carrying value amounting to Rs. 0.28 lakh is mortgaged against Debt securities (Refer note: Note 19)

Note 12: Property, Plant and Equipment

(₹ in Lakhs)

Particulars	As at March 31, 2023						As at March 31, 2022					
	Computers	Electrical installation and equipment	Furniture & fixtures	Office equipment	Leasehold improvement	Total	Computers	Electrical installation and equipment	Furniture & fixtures	Office equipment	Leasehold improvement	Total
At cost or fair value at the beginning of the year	582.92	230.87	72.00	5.19	496.63	1,387.61	442.37	194.77	72.50	5.19	417.86	1,132.69
Additions	529.57	235.28	72.55	-	410.11	1,247.51	144.89	40.45	4.01	-	117.43	306.78
Disposals	(17.96)	-	-	-	-	(17.96)	(4.34)	(4.35)	(4.51)	-	(38.66)	(51.86)
At cost or fair value at the end of the year	**1,094.54**	**466.15**	**144.55**	**5.19**	**906.74**	**2,617.16**	**582.92**	**230.87**	**72.00**	**5.19**	**496.63**	**1,387.61**
Accumulated Depreciation and impairment as at the beginning of the year	368.62	97.99	28.20	2.55	349.82	847.18	317.71	79.97	24.25	2.06	304.93	728.92
Depreciation for the year	195.88	104.51	9.92	2.21	105.55	418.07	55.04	19.98	7.00	0.49	81.21	163.72
Disposals	(17.03)	-	-	-	-	(17.03)	(4.13)	(1.96)	(3.05)	-	(36.32)	(45.46)
Accumulated Depreciation and impairment as at the end of the year	**547.47**	**202.50**	**38.12**	**4.76**	**455.37**	**1,248.22**	**368.62**	**97.99**	**28.20**	**2.55**	**349.82**	**847.18**
Net Carrying amount as at the end of the year	**547.07**	**263.65**	**106.43**	**0.43**	**451.37**	**1,368.94**	**214.30**	**132.88**	**43.80**	**2.64**	**146.81**	**540.43**

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Shriram Housing Finance Limited ★ Mumbai

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 13: Other intangible assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
	Software	Software
At cost, beginning of the year	843.27	843.79
Additions	51.18	11.08
Disposals	-	(11.60)
Other Adjustments (please specify)		
Total cost	894.45	843.27
Accumulated amortisation and impairment:		
At the beginning of the year	533.44	404.81
Amortisation	279.46	138.76
Disposals	-	(10.13)
Total amortisation and impairment	812.90	533.44
Net carrying amount as at the end of the year	81.55	309.83

Note 14: Right of use assets

(₹ in Lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Office premises	Furniture's & fixtures	Total	Office premises	Furniture's & fixtures	Total
Opening Balance	2,410.12	382.03	2,792.15	1,449.72	356.66	1,806.38
Additions	3,522.80	286.52	3,809.32	962.67	29.57	992.24
Remeasurement	(505.13)	(254.38)	(759.51)	(2.27)	(4.20)	(6.47)
Deletions	-	-	-	-	-	-
Total	5,427.79	414.17	5,841.96	2,410.12	382.03	2,792.15
Accumulated Depreciation						
At the beginning of the year	1,032.31	338.13	1,370.44	660.26	225.64	885.90
Depreciation	614.54	48.37	662.91	372.05	112.49	484.54
Deletions	-	-	-	-	-	-
Total Depreciation	1,646.85	386.50	2,033.35	1,032.31	338.13	1,370.44
Net carrying amount as at the end of the year	3,780.94	27.67	3,808.61	1,377.81	43.90	1,421.71

T. R. Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED

Notes to financial statements for the period ended March 31, 2023

Note 15: Other non financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unamortised expenses	75.11	175.27
Prepaid expenses	569.01	485.26
GST Receivable	419.94	220.44
Other sundry advances	560.97	249.92
Total	**1,625.03**	**1,130.89**

Note 16: Asset held for sale

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
House property	5,968.62	8,073.19
Less: ECL on Asset held for sale	500.00	-
Total	**5,468.62**	**8,073.19**

Measurement:

The non-recurring fair value measurement for the assets held for sale has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. For the assets classified as "assets held for sale" during the year valuation has been determined by independent valuer by using the sales comparison approach for which the price (such as recent sales, municipal valuation, etc.) of the assets in the similar location are considered. This is a level 2 measurement as per the fair value hierarchy. The diminution in the value as identified by the independent valuers is written off in the books of accounts.

MUMBAI CHARTERED ACCOUNTANTS LLP

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 17 : Derivative financial instrument

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
MTM loss on foreign currency loan	-	(5.49)
Cash Flow Hedging - Currency Derivatives	56.32	-
Total	**56.32**	**(5.49)**

Derivative financial instruments
The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges.The Company has adopted hedge accounting.
The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.
The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Notional amounts	Fair value - Assets / (Liabilities)	Notional amounts	Fair value - Assets / (Liabilities)
Part I				
(i) Currency derivatives:				
-Spots and forwards	4,533.05	56.32	5,218.44	(5.49)
-Currency futures	-	-	-	-
-Currency swaps	-	-	-	-
Sub total (i)	-	-	-	-
(ii) Interest rate derivatives:				
-Forward rate agreements and interest rate swaps	-	-	-	-
-Futures	-	-	-	-
Sub total (ii)	-	-	-	-
(iii) Credit derivatives:	-	-	-	-
(iv) Equity linked derivatives:	-	-	-	-
(v) Other derivatives:	-	-	-	-
Total derivative financial instruments (i+ii+iii+iv+v)	**4,533.05**	**56.32**	**5,218.44**	**(5.49)**
Part II				
Included in above (Part I) are derivatives held for				
(i) Fair value hedging:				
Currency derivatives	-	-	5,218.44	(5.49)
Interest Rate derivatives	-	-	-	-
(ii) Cash flow hedging:				
Currency derivatives	4,533.05	56.32	-	-
Interest rate derivatives	-	-	-	-
(iii) Net Investment hedging	-	-	-	-
iv) Undesignated Derivatives	-	-	-	-
Total derivative financial instruments (i+ii+iii+iv)	**4,533.05**	**56.32**	**5,218.44**	**(5.49)**

Hedging activities and derivatives
The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Details of the derivative instruments are given below:

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Notional amounts	Fair value - Assets / (Liabilities)	Notional amounts	Fair value - Assets / (Liabilities)
Interest rate risk:				
-Interest rate swaps	-	-	-	-
-Futures	-	-	-	-
Foreign currency risk:	-	-	-	-
-Currency futures				
-Currency swaps	-	-	-	-
-Forward contracts	4,533.05	56.32	5,218.44	(5.49)
Total	4,533.05	56.32	5,218.44	(5.49)

Derivatives designated as hedging instruments
The Company uses forward contracts to manage its foreign currency risk arising from borrowings in foreign currencies.

Derivatives not designated as hedging instruments
There are no undesignated derivatives.

The impact of the hedging instrument on the Balance Sheet is as follows:

(₹ in Lakhs)

Hedged Instrument	As at March 31, 2023				As at March 31, 2022			
	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year
Currency derivatives	4,533.05	56.32	Derivative Financial Instruments	4.87	5,218.44	(5.49)	Derivative Financial Instruments	-

The impact of hedged items on the Balance sheet is as follows:

(₹ in Lakhs)

Hedged Item	As at March 31, 2023		As at March 31, 2022	
Particulars	Change in value used for measuring	Cash flow hedge reserve as on March	Change in value used for measuring	Cash flow hedge reserve as on March
Foreign Currency Term Loans	(4.87)	(3.65)	-	-

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Hedged Item	Foreign Currency Term Loans	Foreign Currency Term Loans
Total hedging gain / (loss) recognised in OCI	(4.87)	-
Ineffectiveness recognised in the statement of profit and loss	-	-
Line item in the statement of profit and loss that include the hedge ineffectiveness	-	-
Amount reclassified from cash flow hedge reserve to the statement of profit and loss	-	-
Line item in the statement of profit and loss that includes the reclassification adjustment	-	-

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 18: Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
I) Total outstanding dues of micro enterprises and small enterprises	-	-
II) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Sundry creditors	382.98	375.76
Outstanding expenses	1,539.62	1,031.03
Total	1,922.60	1,406.79

Trade payables ageing schedule as at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for following years from due date of Transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME*	-	-	-	-	-
(ii) Others	1,921.39	0.27	0.94	-	1,922.60
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - others	-	-	-	-	-
	1,921.39	0.27	0.94	-	1,922.60

*The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade payables ageing schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	-	-	-	-
(ii) Others	1,381.17	0.94	2.11	22.58	1,406.79
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - others	-	-	-	-	-
	1,381.17	0.94	2.11	22.58	1,406.79

MUMBAI

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 19: Debt securities

(₹ in Lakhs)

Particulars	As at March 31, 2023				As at March 31, 2022			
		At Fair Value				At Fair Value		
	At amortised cost	Through profit or loss	Designated through profit or loss	Total	At amortised cost	Through profit or loss	Designated through profit or loss	Total
Liability component of compound financial instruments	-	-	-	-	-	-	-	-
Others (Bonds/ Debenture etc.)								
Secured :								
Privately placed redeemable non-convertible debentures	119,269.30	-	-	119,269.30	48,324.47	-	-	48,324.47
Unsecured :								
Privately placed redeemable non-convertible debentures	5,972.87	-	-	5,972.87	5,005.15			5,005.15
Commercial Paper	1,912.11	-	-	1,912.11	-	-	-	-
		-	-	-		-	-	
Total (A)	**127,154.28**	-	-	**127,154.28**	**53,329.62**	-	-	**53,329.62**
Debt securities in India	127,154.28	-	-	127,154.28	53,329.62	-	-	53,329.62
Debt securities outside India	-	-	-	-	-	-	-	-

(₹ in Lakhs)

ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture (₹ in Lakhs)	Total number of debentures	Rate of interest p.a.	As at March 31, 2023 (Face Value)	As at March 31, 2023	As at March 31, 2022 (Face Value)	As at March 31, 2022	Unsecured / Secured	Fixed / Floating
						Amount	Amount	Amount	Amount		
INE432R07240	23-Oct-20	22-Apr-22	10.00	1000	8.15%	0.00	0.00	10000.00	10356.59	Secured	Fixed
INE432R08024	09-May-19	09-May-22	1.00	2500	10.85%	0.00	0.00	2500.00	2513.82	Unsecured	Fixed
INE432R07117	29-Apr-16	29-Apr-23	10.00	250	9.00%	2500.00	2707.44	2500.00	2703.33	Secured	Fixed
INE432R07125	02-May-16	02-May-23	10.00	150	9.00%	1500.00	1623.33	1500.00	1620.87	Secured	Fixed
INE432R08032	09-May-19	09-May-23	1.00	2500	10.85%	2500.00	2514.56	2500.00	2491.33	Unsecured	Fixed
INE432R07224	05-Jun-20	05-Jun-23	10.00	400	8.55%	4000.00	4279.74	4000.00	4272.16	Secured	Fixed
INE432R07281	30-Nov-21	30-Jun-23	10.00	1000	10.85%	10000.00	10347.89	10000.00	10248.58	Secured	Floating
INE432R07018	10-Oct-14	10-Oct-24	10.00	400	10.30%	4000.00	4176.69	4000.00	4165.27	Secured	Fixed
INE432R07299	04-Mar-22	04-Mar-25	10.00	1000	10.62%	10000.00	10058.66	10000.00	10022.91	Secured	Floating
INE432R07257	11-Dec-20	11-Dec-30	10.00	170	9.60%	1700.00	1737.02	1700.00	1735.38	Secured	Fixed
INE432R07265	15-Jan-21	15-Jan-31	10.00	210	9.42%	2100.00	2125.29	2100.00	2123.24	Secured	Fixed
INE432R07273	03-May-21	02-May-31	10.00	100	9.32%	1000.00	1077.05	1000.00	1076.14	Secured	Fixed
INE432R07307	22-Jul-22	22-Jul-25	10.00	1000	8.25%	10000.00	10560.40	-	-	Secured	Fixed
INE432R07315	10-Aug-22	09-Aug-26	8.75	580	8.85%	5075.00	5109.32	-	-	Secured	Floating
INE432R07323	22-Aug-22	22-Aug-24	10.00	2000.00	8.10%	20000.00	20773.96	-	-	Secured	Floating
INE432R08040	30-Sep-22	30-Sep-37	10.00	350.00	8.60%	3500.00	3458.31	-	-	Unsecured	Fixed
INE432R07331	13-Dec-22	10-Oct-25	10.00	800	9.07%	8000.00	8017.34	-	-	Secured	Floating
INE432R07349	28-Dec-22	26-Dec-25	10.00	500.00	8.95%	5000.00	5094.84	-	-	Secured	Fixed
INE432R07356	09-Feb-23	09-Feb-33	1.00	24000.00	9.09%	24000.00	24060.06	-	-	Secured	Fixed
INE432R07364	14-Mar-23	13-Mar-26	1.00	7500	8.95%	7500.00	7520.26	-	-	Secured	Fixed
						122,375.00	**125,242.17**	**51,800.00**	**53,329.62**		

Nature Of Security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified assets such as loan receivables/ asset held for sale in favour of the trustee appointed

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Loan from NCD- Secured
Terms of repayment

(₹ in Lakhs)

Tenure (from balance sheet date)	As at March 31, 2023 Rate of interest	Repayment details	Amount	As at March 31, 2022 Rate of interest	Repayment details	Amount
0-12 months	8.55%-10.85%	At Maturity & Quarterly Frequency	21,735.39	8.15%-10.85%	At Maturity	11,639.97
12-24 months	8.10%-10.62%	At Maturity & Quarterly Frequency	36,353.95	7.68%-10.85%	At Maturity	17,949.60
24-36 months	8.25%-9.07%	At Maturity & Quarterly Frequency	31,911.26	7.45%-10.30%	At Maturity	13,961.92
36-48 months	8.85%	Quaterly Frequency	572.91	NA	NA	-
More than 60 months	8.6%- 9.60%	At Maturity & Specific Frequency	28,695.78	9.32%-9.60%	At Maturity	4,772.98
Total			1,19,269.29			48,324.47

Loan from NCD- Unsecured
Terms of repayment

(₹ in Lakhs)

Tenure (from balance sheet date)	As at March 31, 2023 Rate of interest	Repayment details	Amount	As at March 31, 2022 Rate of interest	Repayment details	Amount
0-12 months	10.85%	At Maturity	2,665.06	10.85%	At Maturity	2,530.91
12-24 months	NA	NA	-	10.85%	At Maturity	2,474.24
More than 60 months	8.60%	At Maturity	3,307.81	NA	NA	-
Total			5,972.87			5,005.15

Commercial Paper
Terms of repayment

(₹ in Lakhs)

Tenure (from balance sheet date)	As at March 31, 2023 Rate of interest	Repayment details	Amount	As at March 31, 2022 Rate of interest	Repayment details	Amount
0-12 months	8.20%	At Maturity	1,912.11	NA	NA	-
Total			1,912.11			-

Note 20: Subordinate Debts

(₹ in Lakhs)

Particulars	As at March 31, 2023				As at March 31, 2022			
	At amortised cost	At Fair Value		Total	At amortised cost	At Fair Value		Total
		Through profit or loss	Designated through profit or loss			Through profit or loss	Designated through profit or loss	
Unsecured :								
Subordinate redeemable non-convertible debentures	6,977.72	-	-	6,977.72	-			-
		-	-	-		-	-	
Total (A)	6,977.72	-	-	6,977.72	-	-	-	-
Subordinate Debts in India	6,977.72	-	-	6,977.72	-	-	-	-
Subordinate Debts Outside India	-	-	-	-	-	-	-	-

Loan from Subordinate Debts
Terms of repayment

(₹ in Lakhs)

Tenure (from balance sheet date)	As at March 31, 2023 Rate of interest	Repayment details	Amount	As at March 31, 2022 Rate of interest	Repayment details	Amount
More than 60 months	9.10%	Bullet payment at end of 10 years	6,977.72	NA	NA	-
Total			6,977.72			-

T R Chadha & Co. LLP * Chartered Accountants * Mumbai

Shriram Housing Finance Limited * Mumbai

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 21: Borrowings
Notes to financial statements for the period ended March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023				As at March 31, 2022			
	At amortised cost	At Fair value		Total	At amortised cost	At Fair value		Total
		Through profit or loss	Designated through profit or loss			Through profit or loss	Designated through profit or loss	
Secured :								
Term Loan								
- From Banks	3,90,076.20	-	-	3,90,076.20	2,55,785.70	-	-	2,55,785.70
- From National Housing Bank	55,191.15	-	-	55,191.15	55,463.27	-	-	55,463.27
- From Financial Institutions	13,124.87	-	-	13,124.87	6,451.36	-	-	6,451.36
- From Bank Securitization	37,081.86	-	-	37,081.86	5,777.43	-	-	5,777.43
Loans repayable on demand from banks								
Cash credit	0.00	-	-	0.00	11,358.96	-	-	11,358.96
Working capital demand loan	-	-	-	-	1,500.67	-	-	1,500.67
Unsecured :								
Total (A)	4,95,474.08	-	-	4,95,474.08	3,36,337.39	-	-	3,36,337.39
Borrowings in India	4,95,474.08	-	-	4,95,474.08	3,36,337.39	-	-	3,36,337.39
Borrowings outside India	-	-	-	-	-	-	-	-

1. The Company has not defaulted in the repayment of debt securities, other borrowings and interest thereon for the year ended March 31, 2023 and March 31, 2022.
2. The returns filed by the company with banks or financial institutions are in agreement with the books of accounts.

Term loan from banks
Terms of repayment

(₹ in Lakhs)

Tenure (from balance sheet date)	As at March 31, 2023			As at March 31, 2022		
	Rate of interest	Repayment details	Amount	Rate of interest	Repayment details	Amount
0-12 months	4.45% to 9.70%	4 - 60 monthly, quarterly, half yearly installments	1,03,183.37	3.24% to 8.9%	4 - 60 monthly, quarterly, half yearly installments	80,727.01
12-24 months	4.45% to 9.70%	6 - 60 monthly, quarterly, half yearly installments	1,07,762.77	3.24% to 8.9 %	4 - 60 monthly, quarterly, half yearly installments	64,055.07
24-36 months	4.45% to 9.70%	6 - 60 monthly, quarterly, half yearly installments	91,259.87	3.24% to 8.9%	8 - 60 monthly, quarterly, half yearly installments	58,532.13
36-48 months	4.45% to 9.55%	6 - 60 monthly, quarterly, half yearly installments	57,220.78	3.24% to 8.20%	8 - 60 monthly, quarterly, half yearly installments	41,778.89
48-60 months	7.65% to 9.30%	9 - 20 monthly, quarterly, half yearly installments	30,649.41	3.24% to 8.00%	8 - 60 monthly, quarterly, half yearly installments	10,692.60
Total			3,90,076.20			2,55,785.70

Nature Of Security
Term Loans from banks are secured by way of exclusive charge on specified loan receivables.

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

ACCOUNTANTS MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Loan from National Housing Bank

(₹ in Lakhs)

Terms of repayment	As at March 31, 2023			As at March 31, 2022		
Tenure (from date of balance sheet date)	Rate of interest	Repayment details	Amount	Rate of interest	Repayment details	Amount
0-12 months	2.94%-9.80%	20 - 39 quarterly installments	8347.95	2.94% - 7.45%	20 - 39 quarterly installments	6934.20
12-24 months	2.94%-9.80%	20 - 39 quarterly installments	9837.12	2.94% - 7.45%	20 - 39 quarterly installments	9245.60
24-36 months	2.94%-8.75%	20 - 39 quarterly installments	8390.60	2.94% - 7.45%	20 - 39 quarterly installments	7952.12
36-48 months	2.94%-8.75%	20 - 39 quarterly installments	8390.60	2.94% - 6.45%	27 - 39 quarterly installments	6505.60
48-60 months	2.94%-8.75%	20 - 39 quarterly installments	8307.48	2.94% - 6.45%	20 - 39 quarterly installments	6505.60
More than 60 months	2.94%-8.75%	20 - 39 quarterly installments	11917.40	2.94% - 6.45%	20 - 39 quarterly installments	18320.15
Total			55,191.15			55,463.27

Nature Of Security
Loan from National Housing Bank is secured by way of hypothecation of specified book debts

Loan from Financial Institutions

(₹ in Lakhs)

Terms of repayment	As at March 31, 2023			As at March 31, 2022		
Tenure (from date of balance sheet date)	Rate of interest	Repayment details	Amount	Rate of interest	Repayment details	Amount
0-12 months	8.7%-11.25%	28 - 120 monthly, quarterly installments	2143.81	8.10% - 9.50%	28 - 120 monthly, quarterly installments	590.35
12-24 months	8.7%-11.25%	28 - 120 monthly, quarterly installments	2277.82	8.10% - 9.50%	20 - 120 monthly, quarterly installments	752.61
24-36 months	8.7%-11.25%	28 - 120 monthly, quarterly installments	2301.01	8.10% - 9.50%	20 - 120 monthly, quarterly installments	787.94
36-48 months	8.7%-11.25%	28 - 120 monthly, quarterly installments	2342.79	8.10% - 9.50%	27 - 120 monthly, quarterly installments	825.87
48-60 months	8.7%-11.25%	28 - 120 monthly, quarterly installments	2308.47	8.10% - 9.50%	27 - 120 monthly, quarterly installments	865.68
More than 60 months	9.1%-11.25%	28 - 120 monthly, quarterly installments	1750.97	8.10% - 9.50%	27 - 120 monthly, quarterly installments	2628.91
Total			13,124.87			6,451.36

Nature Of Security
Loan from financial institutions is secured by way of exclusive charge on specified loan receivables.

Term loan from banks -Securitisation

(₹ in Lakhs)

Terms of repayment	As at March 31, 2023			As at March 31, 2022		
Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	Amount	Rate of Interest	Repayment Details	Amount
0-12 months	8.65% - 9.65%	238-361 installments of monthly frequency	1,934.19	7.94% - 8.80%	202-278 installments of monthly frequency	366.64
12-24 months	8.65% - 9.65%	238-361 installments of monthly frequency	1,607.30	7.94% - 8.80%	202-278 installments of monthly frequency	267.61
24-36 months	8.65% - 9.65%	238-361 installments of monthly frequency	1,705.16	7.94% - 8.80%	202-278 installments of monthly frequency	295.62
36-48 months	8.65% - 9.65%	238-361 installments of monthly frequency	1,779.44	7.94% - 8.80%	202-278 installments of monthly frequency	323.24
48-60 months	8.65% - 9.65%	238-361 installments of monthly frequency	1,887.62	7.94% - 8.80%	202-278 installments of monthly frequency	353.27
More than 60 months	8.65% - 9.65%	238-361 installments of monthly frequency	28,168.15	7.94% - 8.80%	202-278 installments of monthly frequency	4,171.05
Total			37,081.86			5,777.43

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Nature Of Security
Secured by an exclusive charge by way of hypothecation on specified loan receivables.

Loans repayable on demand from Banks

Cash credit
Terms of repayment

(₹ in Lakhs)

Tenure (from date of balance sheet date)	As at March 31, 2023			As at March 31, 2022		
	Rate of interest	Repayment details	Amount	Rate of interest	Repayment details	Amount
0-12 months	NA	NA	Nil	7.8% - 9%	Loan repayable on demand	11,358.96

Working capital demand loans
Terms of repayment

(₹ in Lakhs)

Tenure (from date of balance sheet date)	Rate of interest	Repayment details	As at March 31, 2023	As at March 31, 2022
0-12 months	8.20%	Bullet payment	-	1,500.67

Nature of security
Cash credit and working capital demand loan from banks are secured by way of exclusive charge on specified loan receivables.

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

SHRIRAM HOUSING FINANCE LIMITED

Notes to financial statements for the period ended March 31, 2023

Note 22: Lease liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities	3,861.56	1,470.36
Total	3,861.56	1,470.36

22(a): The Company has applied the practical expedient as provided in paragraph 46A of Ind AS 116 to all rent concessions received. The amount recognised in the statement of profit and loss for the year to reflect changes in lease payments arising from rent concessions is Rs.28.61 Lakh (March 31,2022 : Rs.79.88 Lakh) (Note no. 33)

22(b): Reconciliation of future minimum lease payment on lease liability

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	482.70	249.72
After one year but not more than five years	2,167.63	804.69
More than five years	1,211.23	415.95
Total	3,861.56	1,470.36

22(c): Movement in lease liability

(₹ in Lakhs)

Sr. No.	Class of underlying asset	Opening balance of lease liabilities (balance as on 01.04.2022)	Additions to lease liabilities, made during the year	Remeasurements during the year	Finance cost accrued during the year	Payment of lease liabilities during the year	Amount of lease liabilities as on March 31, 2023
1	Buildings	1,414.90	3,360.70	-500.16	255.81	-704.34	3,826.91
2	Furniture & fixtures	47.19	286.53	-260.45	9.79	-52.98	30.10
3	Car	8.27	-	-	0.60	-4.31	4.56

(₹ in Lakhs)

Sr. No.	Class of underlying asset	Opening balance of lease liabilities (Balance as on 01.04.2021)	Additions to lease liabilities, made during the year	Remeasurements during the year	Finance cost accrued during the year	Payment of lease liabilities during the year	Amount of lease liabilities as on March 31, 2022
1	Buildings	840.38	923.91	(2.65)	86.52	(433.26)	1,414.90
2	Furniture & fixtures	154.08	29.13	(4.88)	8.58	(139.72)	47.19
3	Car	11.66	-	-	0.92	(4.31)	8.27

22(d): The table below provides details regarding the contractual maturities of lease liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Undiscounted basis	Discounted basis	Undiscounted basis	Discounted basis
Not later than one year	772.57	482.70	342.71	249.73
Later than one year but not later than five years	2,843.58	2,167.63	978.48	804.69
Later than 5 years	1,384.08	1,211.23	598.83	415.94
Total	5000.23	3,861.56	1920.02	1470.36

22(e): Qualitative disclosures:

The leased building premises , furniture & fixtures are used to carry out business operations and related support activities. The car is sub leased to the employee. The future cash outflows on lease payments are fixed in nature, subject to escalations. The lease agreements tenor extensions and termination conditions are subject to respective lease agreements. In 15 cases (March 31, 2022: 6 Cases), security deposit is paid but lease is not yet commenced. There are no restrictions or covenants are imposed by lease agreements.

Note 23: Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Temporary book overdrafts	-	1,202.61
Employee benefit payable	1,088.13	833.63
Payable on account of assignment	3,286.06	2,576.86
Provision for lease rent	11.09	8.96
Retention money and other sundry liabilities	19.41	3.67
Other liabilities	982.48	131.74
Total	5,387.17	4,757.47

Shriram Housing Finance Limited Mumbai

Sharp & Tannan / ...dha & Co. LLP Mumbai Chartered Accountants

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 24: Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for non funded exposure	203.96	271.66
Provision for employee benefits		
- Leave Salary	66.86	-
- Gratuity	31.28	31.31
Total	302.10	302.97

Loan commitment

The table below shows the credit quality and the maximum exposure for credit risk based on the Company's internal credit rating system and year-end stage classification. Details of the Company's internal grading system and policies on ECLs are set out in Note 53

(₹ in Lakhs)

Internal rating grade	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High grade	55,163.86			55,163.86	46,145.19			46,145.19
Standard grade	246.02			246.02	127.87			127.87
Sub-standard grade		122.73		122.73		129.42		129.42
Past due but not impaired		32.07		32.07				-
Non- performing								
Individually impaired				-	-	-	-	-
Total	55,409.88	154.79	-	55,564.68	46,273.06	129.42	-	46,402.48

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitments is, as follows:

Gross exposure reconciliation

(₹ in Lakhs)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	46,273.06	129.42		46,402.48	18,267.68	140.53	-	18,408.21
New exposures	49,579.63	124.69		49,704.32	41,008.47			41,008.47
Exposures derecognised or matured/lapsed (excluding write-offs)	(40,371.82)	(170.30)		(40,542.12)	(12,896.68)	(117.52)		(13,014.20)
Transfers to Stage 1	(70.98)	70.98		-	40.56	(40.56)		-
Transfers to Stage 2	-	-		-	(146.97)	146.97		-
Transfers to Stage 3				-				-
Closing balance of outstanding exposure	55,409.88	154.79	-	55,564.68	46,273.06	129.42	-	46,402.48

Reconciliation of ECL balance is given below:

(₹ in Lakhs)

	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	266.48	5.18	-	271.66	103.20	4.21	-	107.40
New exposures	180.77	1.81		182.58	231.31			231.31
Exposures derecognised or matured (excluding write-offs)	(244.99)	(5.29)		(250.28)	(68.67)	(2.55)		(71.22)
Transfers to Stage 1	(0.53)	0.53		-	1.65	(1.65)		-
Transfers to Stage 2				-	(1.01)	1.01		-
Transfers to Stage 3				-				-
Impact on year end ECL of exposures transferred between stages during the year				-		4.16		4.16
Unwind of discount				-				-
ECL allowance - closing balance	201.73	2.23	-	203.96	266.48	5.18	-	271.66

Note 25: Other non financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	522.40	278.68
Total	522.40	278.68

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 26: Equity

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
EQUITY SHARE CAPITAL		
Authorised:		
40,00,00,000(Previous Year : 40,00,00,000) equity shares of Rs. 10/- each	40,000.00	40,000.00
Ordinary Shares		
Issued and fully paid		
Issued, subscribed and fully paid up:		
32,60,46,112 (Previous Year : 32,52,71,112) equity shares of Rs. 10/- each	32,604.61	32,527.11
Total Equity	**32,604.61**	**32,527.11**

a Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares (in Lakh)	(₹ in Lakhs)
As at March 31,2021	**2,141.60**	**21,416.00**
Issued during the year	1,111.11	11,111.11
As at March 31, 2022	**3,252.71**	**32,527.11**
Issued during the year	7.75	77.50
As at March 31, 2023	**3,260.46**	**32,604.61**

b **Terms/ rights attached to equity shares**
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

c **Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**
Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

No. (in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Shriram Finance Limited*	2,765.51	2,765.51
Total	**2,765.51**	**2,765.51**

d Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in Lakhs	% holding in the class	No. in Lakhs	% holding in the class
Shriram Finance Limited*	2,765.51	84.82%	2,765.51	85.02%
Valiant Mauritius Partners FDI Ltd.	487.20	14.94%	487.20	14.98%

e **For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note No. 44**

f **Details of shareholding by promoters:**

Shares held by promoters at the end of the year		
Promoter name	**No. of Shares**	**%of total shares**
Shriram Finance Limited*	2,765.51	84.82%

g **There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash / bonus shares / bought back.**

*Refer note Note 48

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Note 27: Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
		(₹ in Lakhs)
Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & section 36(1)(viii) of Income tax act, 1961)	9,375.22	6,599.21
Security premium	51,071.44	50,982.70
Retained earnings (surplus/deficit in profit & loss account)	36,046.92	25,047.50
Remeasurement Gain or Loss on defined benefit plans	51.48	88.32
Deemed investment	183.91	183.91
Share option outstanding	588.81	330.56
Other comprehensive income		
- Effective Portion of Cash flow Hedges	(3.65)	-
Total	**97,314.13**	**83,232.20**

Note 27 (a) : Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
		(₹ in Lakhs)
Securities premium account		
Opening Balance	**50,982.70**	**12,180.00**
Add: Premium on shares issued during the year	88.74	38,888.89
Less: Right issue expenses	-	-86.19
Closing Balance	**51,071.44**	**50,982.70**
Share option outstanding		
Opening Balance	**330.56**	180.63
Add: Expenses on Employee Stock Option Plan (Refer note 38)	346.99	149.93
Less: Adjustment on exercise of Employee Stock Option Plan	(88.74)	-
Add: Transferred to retained earning	-	-
Closing Balance	**588.81**	**330.56**
Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & section 36(1)(viii) of Income tax act, 1961)		
Opening Balance	**6,599.21**	**4,985.49**
Add: Transfer from surplus balance in the statement of profit and loss	2,776.01	1,613.72
Closing Balance	**9,375.22**	**6,599.21**
Surplus in statement of profit and loss		
Opening Balance	**25,047.50**	**18,627.10**
Add: Profit for the year	13,775.43	8,034.13
Add/ (Less): Appropriations	-	-
Transfer from / (to) share option outstanding	-	-
Transfer to statutory reserve	(2,776.01)	(1,613.73)
Closing Balance	**36,046.92**	**25,047.50**
Deemed investment		
Opening Balance	**183.91**	**183.91**
Add: Other additions/ deductions during the year	-	-
Closing Balance	**183.91**	**183.91**
Remeasurement Gain or Loss on defined benefit plans		
Opening Balance	**88.32**	**73.92**
Remeasurement gain/ (loss) on defined benefit plan	(49.22)	19.24
Income tax provision/ (reversal) on above	12.39	(4.84)
Closing Balance	**51.49**	**88.32**
Other Comphrensive Income		
Effective Portion of Cash flow Hedges		
Opening Balance	-	-
Add: Additions during the year	(3.65)	-
Closing Balance	**(3.65)**	**-**

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Note 27 (b) : Other Equity

Nature and purpose of Reserves

Statutory reserve:
The Company creates special reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income tax act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.

The Company transfers amount at least 20% of the Profit after tax to Statutory reserve.

Securities premium reserve:
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Retained earnings:
Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, any appropriation made.

Deemed investment:
The Company has acquired a refinance from National Housing Bank for which the parent "Shriram Finance Ltd" acted as a Corporate guarantor.

The Fair value of financial guarantee so received has been classified as "Deemed investments".

ESOP reserve:
The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to **Note 44** for further details of these plans.

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

Other Comprehensive Income:
Other comprehensive income includes effective portion of cash flow hedges. Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to the statement of profit and loss only when the hedged transaction affects the statement of profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

(₹ in Lakhs)

Note 28: Interest income

Particulars	For the Year ended 31 March 2023				For the Year ended March 31, 2022			
	On financial assets measured at amortised cost	On financial assets measured at fair value through OCI	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets measured at fair value through OCI	On financial assets classified at fair value through profit or loss	Total
Interest on loans	64,590.73	-	-	64,590.73	42,907.96	-	-	42,907.96
Interest income from investments	1,318.81	-	-	1,318.81	750.66	-	-	750.66
Interest on deposits								
-Deposit with Bank	818.82	-	-	818.82	606.33	-	-	606.33
-Margin money deposit with Bank	200.89	-	-	200.89	73.56	-	-	73.56
-Deposit with financial institutions	-	-	-	-	188.33	-	-	188.33
Interest income on security deposits	28.65	-	-	28.65	29.33	-	-	29.33
Interest income on assignment (EIS)	134.16	-	-	134.16	148.84	-	-	148.84
Total	67,092.06	-	-	67,092.06	44,705.01	-	-	44,705.01

Note 29: Fees & commission income

(₹ in Lakhs)

Particulars	For the Year ended 31 March 2023	For the Year ended March 31, 2022
Servicing fees	190.63	40.51
Income from other services	734.99	515.97
Other charges	1,431.70	862.64
Commission fees	34.01	4.44
Total	2,391.33	1,423.56

Revenue from contract with customers

(₹ in Lakhs)

Particulars	For the Year ended 31 March 2023	For the Year ended March 31, 2022
(i) Type of service		
- Fees and commission income	224.64	44.95
- Other Charges	1,431.70	862.64
- Income from other services	734.99	515.97
Total	2,391.33	1,423.56
(ii) Primary geographical market		
- India	2,391.33	-
- Outside India	-	1,423.56
Total revenue from contract with customers	2,391.33	1,423.56
(iii) Timing of revenue recognition		
- At a point in time upon rendering services	-	-
- Over a period of time upon rendering services	2,391.33	1,423.56
Total	2,391.33	1,423.56
(iv) Trade receivable towards contract with customers		
- Opening balance	-	-
- Closing balance	22.98	-
(v) Impairment on trade receivables towards contract with customers	-	-

As on 31st March 2023, the Company doesn't have any unsatisfied/partially satisfied performance obligation(March 31, 2022: Nil).

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 30: Net gain/ (loss) on fair value changes

(₹ in Lakhs)

Particulars	For the Year ended 31 March 2023	For the Year ended March 31, 2022
A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	2,372.65	815.27
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others (to be specified)	-	-
Total Net gain/(loss) on fair value changes (C)	**2,372.65**	**815.27**
Fair Value changes: -Realised	2,368.19	815.27
-Unrealised	4.46	-
Total net gain/(loss) on fair value changes(D)	**2,372.65**	**815.27**
Total	**2,372.65**	**815.27**

Note 31: Net gain on derecognition of financial instruments under amortised cost category

(₹ in Lakhs)

Particulars	For the Year ended 31 March 2023				For the Year ended March 31, 2022			
	On financial assets measured at amortised cost	On financial assets measured at fair value through OCI	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets measured at fair value through OCI	On financial assets classified at fair value through profit or loss	Total
Net gain on assignment	6,465.38	-	-	6,465.38	5,508.35	-	-	5,508.35
Total	**6,465.38**	**-**	**-**	**6,465.38**	**5,508.35**	**-**	**-**	**5,508.35**

Note 32: Other operating Income

(₹ in Lakhs)

Particulars	For the Year ended 31 March 2023	For the Year ended March 31, 2022
Processing fees	608.55	417.21
Dividend income	-	0.41
Bad debts recovered	329.33	203.19
Total	**937.88**	**620.81**

Note 33: Other income

(₹ in Lakhs)

Particulars	For the Year ended 31 March 2023	For the Year ended March 31, 2022
Gain on derecognition of property, plant and equipment	0.01	1.25
Interest on lease receivable	0.60	0.93
Gain on Foreign Currency Transaction	1.56	0.09
Income from subleasing of right of use assets	6.74	7.23
Interest on income tax refund	7.50	-
Miscellaneous income	8.27	0.01
Lease rent waiver	28.61	79.88
Gain on remeasurement of Leases	50.01	1.03
Total	**103.30**	**90.42**

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 34: Finance cost

(₹ in Lakhs)

Particulars	For the ended Year March 31, 2023			For the ended Year March 31, 2022		
	On financial liabilities measured at amortised cost	On financial liabilities measured through profit or loss	Total	On financial liabilities measured at amortised cost	On financial liabilities measured through profit or loss	Total
Interest on Borrowings (Other than debt securities)						
- Interest on Bank borrowings	27,043.33	-	27,043.33	20,220.90	-	20,220.90
- Interest on loan from NHB	2,141.30		2,141.30	773.14	-	773.14
- Interest on loan from Financial institutions	1,516.21	-	1,516.21	1,547.38	-	1,547.38
- Interest on securitization loans	1,506.11	-	1,506.11	539.68	-	539.68
Interest on debt securities						
- Interest on Debentures	6,635.91	-	6,635.91	4,783.67	-	4,783.67
- Interest on Commercial Paper	67.07	-	67.07	-	-	-
Interest on Subordinate Debts	54.75	-	54.75	-	-	-
Other Interest Expenses						
- Interest on lease liability	266.20	-	266.20	96.02	-	96.02
- Interest cost on net defined liability	(3.21)	-	(3.21)	2.11	-	2.11
Total	**39,227.67**	**-**	**39,227.67**	**27,962.90**	**-**	**27,962.90**

Note 35: Fees & Commission Expenses

(₹ in Lakhs)

Particulars	For the Year ended 31 March 2023	For the Year ended March 31, 2022
Resource Mobilization Expenses	304.40	97.15
Total	**304.40**	**97.15**

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SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 36: Impairment of financial assets

(₹ in Lakhs)

Particulars	For the ended Year March 31, 2023			For the ended Year March 31, 2022		
	On financial instrument measured at amortised cost	On financial instrument measured at fair value through OCI	Total	On financial liabilities measured at Amortised cost	On financial instrument measured at fair value through OCI	Total
Loans and advances to customers	(9.53)	-	(9.53)	397.27	-	397.27
Loan undrawn commitments	(67.70)	-	(67.70)	164.25	-	164.25
Asset Held For Sale	500.00	-	500.00	-	-	-
Investments	(6.23)	-	(6.23)	4.92	-	4.92
Excess interest spread receivable on Assignment	(20.56)	-	(20.56)	(242.43)	-	(242.43)
Lease receivables	(0.05)	-	(0.05)	(0.16)	-	(0.16)
Bad debts written off (including on assets held for sale)	593.16		593.16	755.95		755.95
Total	**989.09**	**-**	**989.09**	**1,079.80**	**-**	**1,079.80**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(₹ in Lakhs)

Particulars	For the ended Year March 31, 2023						For the ended Year March 31, 2022					
	General approach				Simplified Approach	Total	General approach				Simplified approach	Total
	Stage 1	Stage 2	Stage 3	Additional provision			Stage 1	Stage 2	Stage 3	Additional provision		
Loans and advances to customers	34.99	211.19	(255.74)	-	-	(9.55)	1,016.90	(56.68)	437.05	(1,000.00)	-	397.27
Loan undrawn commitments	(64.75)	(2.95)	-	-	-	(67.70)	163.28	0.97	-		-	164.25
Asset Held For Sale	-	-	-	-	500.00	500.00	-	-	-	-	-	-
Investments	(6.23)	-	-	-	-	(6.23)	4.92	-	-		-	4.92
Excess interest spread receivable on assignments	(32.16)	(2.14)	13.74	-	-	(20.56)	(197.64)	(16.93)	(27.86)		-	(242.43)
Lease receivables	-	-	-	-	(0.05)	(0.05)	-	-	-		(0.16)	(0.16)
Total impairment loss	**(68.15)**	**206.10**	**(242.00)**	**-**	**499.95**	**395.90**	**987.46**	**(72.64)**	**409.19**	**(1,000.00)**	**(0.16)**	**323.85**

Note 37: Net loss on derecognition of financial instruments under amortised cost category

(₹ in Lakhs)

Particulars	For the ended Year March 31, 2023			For the ended Year March 31, 2022		
	On financial instrument measured at amortised cost	On financial instrument measured at fair value through OCI	Total	On financial liabilities measured at Amortised cost	On financial instrument measured at fair value through OCI	Total
Loss on Sale of Loan Assets	960.87	-	960.87	-	-	-
Total	**960.87**	**-**	**960.87**	**-**	**-**	**-**

Note 38: Employee benefit expenses

(₹ in Lakhs)

Particulars	For the Year ended 31 March 2023	For the Year ended March 31, 2022
Salaries and wages	11,775.78	7,740.65
Contribution to provident and other fund	329.26	204.27
Gratuity expenses	93.81	78.15
Share based payments to employees	346.99	149.93
Interest expenses on staff loan	31.50	23.73
Staff welfare expenses	456.77	327.04
Total	**13,034.11**	**8,523.77**

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 39: Depreciation, amortization & impairment

(₹ in Lakhs)

Particulars	For the Year ended 31 March 2023	For the Year ended March 31, 2022
Depreciation of tangible assets	418.07	163.72
Amortization of intangible assets	279.46	138.76
Depreciation of right of use assets	662.91	484.54
Total	**1,360.44**	**787.02**

Note 40: Other expenses

(₹ in Lakhs)

Particulars	For the Year ended 31 March 2023	For the Year ended March 31, 2022
Rent	117.69	112.69
Printing & stationery	225.05	128.53
Travelling and conveyance	919.56	489.90
Business promotion	29.34	32.30
Communication	181.74	107.44
Director's sitting fees	25.08	22.34
Electricity	124.99	54.55
Insurance	19.01	15.16
Bank charges	36.80	21.22
Payment to auditors		
- Statutory audit fees	30.52	27.80
- Tax audit fees	5.97	4.09
- Out of pocket expenses	1.22	0.06
- Certification fees	7.63	2.73
Royalty	865.05	597.52
Professional charges	1,154.84	944.89
Man Power Services	1,010.75	-
Office maintenance	469.29	285.95
Postage & courier	97.51	61.86
Rates, duties & taxes	19.95	13.42
Mortgage guarantee Fee	62.45	92.61
Corporate social responsibility	174.20	128.12
Loss on derecognition of property, plant and equipment	0.26	7.71
Advertisement	44.14	59.27
Collection & recovery	610.53	479.51
Miscellaneous expenditure	256.26	108.69
Total	**6,489.83**	**3,798.36**

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

Details of CSR expenditure:

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Gross amount required to be spent by the Company during the year	174.14	117.24
b) Amount spent during the year		
i) On purposes of construction/acquisition of any asset	-	-
ii) On purposes other than (i) above		
- Contribution to various Trust/NGOs/Societies/Agencies and utilisation thereon *	90.97	100.81
- Expenditure towards COVID testing, Rapid test kit, masks, PPE kits, RTPCR, Vaccination	-	27.31
c) The amount of shortfall at the end of the year**	83.17	-
d) The total of previous years' shortfall amounts	-	-
Total amount spent during the year	**90.97**	**128.12**

*There is no contribution to related party during the year (March 31, 2022 Rs. Nil)

**The amount of Rs. 83.17 lakh is allocated towards an on-going project of Apprenticeship program undertaken by the company for a period of 1 year beginning from March 2023, and shall be utilised in a calibrated manner for payment of training fees for apprenticeship on an monthly basis. The said amount has been deposited in designated bank account.

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 41: Income Tax
The components of income tax expense for the period ended March 31, 2023 are:

(₹ in Lakhs)

Particulars	For the Year ended 31 March 2023	For the Year ended March 31, 2022
Current tax	3,639.02	2,092.65
Deferred tax	(426.22)	644.48
Tax relating to earlier years	7.96	143.16
Total tax charge	**3,220.76**	**2,880.29**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended March 31, 2023 and March 31, 2022 is, as follows:

(₹ in Lakhs)

Particulars	For the Year ended 31 March 2023	For the Year ended March 31, 2022
Profit before tax	16,996.19	10,914.42
Statutory income tax rate	25.17%	25.17%
Expected income tax expense	4,277.60	2,746.94
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Effect of change in tax rate	-	-
Earlier year tax effect	7.96	143.16
Non deductible expense - CSR	43.84	32.25
Deduction 80JJAA	(0.37)	(4.23)
Special reserve u/s 36 (1) (viii)	(833.22)	209.92
Others	(275.05)	(247.75)
Income tax expense reported in the statement of profit & Loss	**3,220.76**	**2,880.29**

Note 42: Deferred Tax
The following table shows deferred tax recorded in the balance sheet as at March 31, 2023:

(₹ in Lakhs)

	Deferred tax	Income statement	OCI	Deferred tax
	As at March 31, 2022	For the Year ended 31 March 2023	For the Year ended 31 March 2023	As at March 31, 2023
Deferred tax asset/ (liabilities) in relation to :				
Property plant equipment's & intangible assets	36.82	65.46		102.28
ECL provision on undrawn loan commitments & investments	68.37	(17.04)		51.33
Unamortized income	13.62	(9.98)		3.64
ESOP fair value	81.94	66.26		148.20
ECL on loan & advances	1,032.18	(188.85)		843.33
ECL On Asset Held for Sale	-	125.84		125.84
ECL on interest reversal on NPA	94.79	(55.57)		39.23
Net Gain/(Loss) On Fair Value Changes - MF		(1.12)		(1.12)
Provision for employee benefits	(69.64)	56.53	(12.39)	(0.72)
Cash Flow Hedge			(1.23)	1.23
Unamortized expenses	(28.19)	14.19		(14.00)
Provision for lease rental	14.41	22.08		36.49
NCD expenses & borrowing cost as per EIR	(9.33)	4.65		(4.67)
Special reserve u/s 36 1(viii)	(833.22)	833.22		-
Net right to use asset and future rent liability	12.24	1.08		13.32
Excess interest spread receivables on assignments	(3,600.27)	(490.56)		(4,090.83)
Total	**(3,186.28)**	**426.20**	**(13.62)**	**(2,746.45)**

Note 43: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax wherever applicable) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the Year ended 31 March 2023	For the Year ended March 31, 2022
Net profit attributable to ordinary equity holders of the Company (₹ in Lakhs)	13,775.43	8,034.13
Weighted average number of ordinary shares for basic earnings per share (Nos. in Lakhs)	3,254.60	2,844.19
Effect of dilution:		
Stock options granted under ESOP (Nos.in Lakhs)	11.59	13.95
Weighted average number of ordinary shares adjusted for effect of dilution	3,266.19	2,858.14
Earnings per share		
Basic earnings per share (₹)	4.23	2.82
Diluted earnings per share (₹)	4.22	2.81

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Note 44: Employee stock option sheme (ESOS)
The company provides share-based payment schemes to its employees. For the year ended March 31, 2023 following employee stock option plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below :

Details of Employee Stock Option Schemes	ESOP Scheme 2013 (Tranche I - 13)	ESOP Scheme 2013 (Tranche II - 13)	ESOP Scheme 2016 (Tranche I - 16)	ESOP Scheme 2013 (Tranche III - 13)	ESOP Scheme 2016 (Tranche II - 16)	ESOP Scheme 2016 (Tranche III - 16)
Date of shareholder's approval of plan	March 28, 2013	March 28, 2013	December 13, 2016	March 28, 2013	December 13, 2016	December 13, 2016
Date of grant	August 28, 2013 & April 20, 2015	December 19, 2018	February 01, 2020	February 23, 2021	01 November, 2021	01 May, 2022
Number of options granted	3,50,000	25,00,000	12,40,000	5,00,000	15,70,000	2,00,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period	3 - 5 years	3 - 10 years	1 - 3 years	1 - 8 years	1 - 3 years	1 - 3 years
Exercise price	10.00	10.00	35.00	10.00	35.00	35.00
Exercise period	Not later than 5 years from the date of vesting of options	Not later than 5 years from the date of vesting of options	Not later than 3 years from the date of vesting of options	Not later than 5 years from the date of vesting of options	Not later than 3 years from the date of vesting of options	Not later than 3 years from the date of vesting of options
Vesting conditions	Employee remaining in the employment of the enterprise during the vesting period					

Details of vesting

Vesting period from the grant date	ESOP Scheme 2013 (Tranche I - 13)	ESOP Scheme 2013 (Tranche II - 13)	ESOP Scheme 2016 (Tranche I, II & III - 16)	ESOP Scheme 2013 (Tranche III - 13)
Completion of 1 year	-	-	33.33%	12.50%
Completion of 2 year	-	-	33.33%	12.50%
Completion of 3 year	-	12.50%	33.33%	12.50%
Completion of 4 year	50%	12.50%	-	12.50%
Completion of 5 year	50%	12.50%	-	12.50%
Completion of 6 year	-	12.50%	-	12.50%
Completion of 7 year	-	12.50%	-	12.50%
Completion of 8 year	-	12.50%	-	12.50%
Completion of 9 year	-	12.50%	-	-
Completion of 10 year	-	12.50%	-	-

Details of activity under each plan

	ESOP Scheme 2013 (Tranche I - 13)		ESOP Scheme 2013 (Tranche II - 13)		ESOP Scheme 2016 (Tranche I, II & III - 16)		ESOP Scheme 2013 (Tranche III- 13)	
Particulars	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at March 31, 2021	60,000	10	25,00,000	10	27,65,000	35	5,00,000	10
Vested as at March 31, 2022	-	-	3,12,500	-	4,13,333	-	62,500	-
Outstanding as at 1 April 2022	60,000	10	25,00,000	10	27,65,000	35	5,00,000	10
Granted during the year	-	-	-	-	2,00,000	35	-	-
Forfeited during the year	-	10	-	-	(70,000)	35	-	-
Exercised during the year	(25,000)	10	(6,25,000)	-	-	-	(1,25,000)	-
Outstanding as at March 31, 2021	35,000	10	18,75,000	10	28,95,000	35	3,75,000	10
Vested as at March 31, 2023	35,000		18,75,000		26,95,000		3,75,000	

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

Particulars	ESOP Scheme 2013 (Tranche I - 13)	ESOP Scheme 2013 (Tranche II - 13)	ESOP Scheme 2016 (Tranche I - 16)	ESOP Scheme 2013 (Tranche III - 13)	ESOP Scheme 2016 (Tranche II - 16)	ESOP Scheme 2016 (Tranche III - 16)
Risk-free interest rate	7.26% - 7.42%	7.08% - 7.68%	5.75% - 6.03%	5.45% - 6.46%	4.96% - 5.70%	4.96% - 5.70%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	6.50 Years - 7.50 Years	5.50 - 6.78 Years	2.50 - 4.50 Years	3.32 - 4.60 Years	2.50 - 2.91 Years	2.50 - 4.50 Years
Expected volatility (%)	40.56% - 43.90%	36.58% - 42.21%	40.76% - 42.76%	36.00% - 40.16%	31.01% - 36.98%	31.01% - 36.98%
Dividend yield	0%	0%	0%	0%	0%	0%
Weighted average remaining contractual life (in years)	-	-	-	-	-	1.09

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of comparable listed companies using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been considered taking into account the historical and expected rate of dividend on equity share price as on grant date.

For details of options granted to the key managerial employees refer note 48.

The expense recognised for employee services received during year ended March 31, 2023 is shown in the following table:

	year ended March 31, 2023	(₹ in Lakhs) year ended March 31, 2022
Expense arising from equity-settled share based payment transactions	346.99	149.93
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	**346.99**	**149.93**

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Note 45: Retirement benefit plan
Defined contribution plan
The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 316.28 Lakh for year ended March 31, 2023 (March 31, 2022 Rs. 194.34 Lakh) for Provident Fund contributions and Rs. 12.98 Lakh for the year ended March 31, 2023 (March 31, 2022 Rs 9.93 Lakh) for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy.

During the year 2015-16 the Company created "Shriram Housing Finance Company Employees' Group Gratuity Fund". The Trust is recognised by income tax authorities and administered through trustees. Contributions to the Trust are invested in a scheme with a insurance Company as permitted by law in India.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:
1. Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
2. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
3. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.
4. Investment risk : For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
5. Legislative risk : Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Amount recognised in the Statement of Profit and Loss
Net employee benefit expense recognised in the employee cost

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	104.01	79.87
Interest cost on benefit obligation	17.46	13.83
Expected return on plan assets	(20.67)	(11.72)
Net (benefit) / expense	**100.80**	**81.98**

* Gratuity expenses as per note 38 of the statement of Profit and Loss for the year ended March 31, 2023 is after providing for shortfall in Gratuity Fund account

Amount recognised in the Balance Sheet
Reconciliation of present value of the obligation and the fair value of plan assets:

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Defined benefit obligation	(377.50)	(261.82)
Fair value of plan assets	346.23	230.51
Asset/(liability) recognized in the balance sheet	**(31.27)**	**(31.31)**

*Gratuity Provision is in excess of Fair Value of Assets as on March 31, 2023 as disclosed under "Note 24 - Provisions" is after netting off amount paid to trust.

SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

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Amount recognised in the Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Due to change in financial assumptions	5.43	10.98
Due to change in experience adjustments	(47.41)	7.13
(Return) on plan assets (excl. interest income)	(7.24)	1.14
Total Other Comprehensive Income	(49.22)	19.25

Changes in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening defined benefit obligation	261.82	211.52
Transfer in/Out	-	(2.69)
Interest cost	17.46	13.83
Current service cost	104.01	79.87
Liability transferred in/on account of transfer of employees		
Benefits paid	(47.77)	(22.60)
Actuarial loss / (gain) on obligation	41.99	(18.11)
Closing defined benefit obligation	377.51	261.82

Changes in the fair value of plan assets are as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening fair value of plan assets	230.51	118.92
Interest Income	20.67	11.72
Expected return	-	(2.69)
Contributions by employer & others Exp	150.06	124.02
Adjustment / transfer	-	-
Benefits paid	(47.77)	(22.60)
Actuarial loss / (gain) on obligation	(7.24)	1.14
Closing fair value of plan assets	346.23	230.51

The Company intends to contribute to the trust the amount as per the actuarial valuation in the next year

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Investments with insurer	100%	100%

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Shriram Housing Finance Limited ★ MUMBAI

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.50%	7.34%
Salary escalation	5.00%	5.00%
Attrition rate	5.00%	5.00%
Mortality table	IALM (2012-14)	IALM (2012-14)
Normal retirement age	58 Years	58 Years

The estimates of future salary increases, considered in actuarial valuation are on account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current year and previous four years are as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Define benefit obligation	(377.50)	(261.82)	(211.52)	(159.72)	(144.44)	(191.06)
Plan assets	346.23	230.51	118.92	138.27	158.54	-
Surplus/(deficit)	(31.27)	(31.31)	(92.60)	(21.45)	14.10	(191.06)

(₹ in Lakhs)

Assumptions	Year ended March 31, 2023		Year ended March 31, 2023		Year ended March 31, 2022		Year ended March 31, 2022	
	Discount rate		Future salary increases		Discount rate		Future salary increases	
Sensitivity Level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
Impact on defined benefit obligation	31.35	(36.01)	(36.09)	32.09	23.10	(26.64)	(27.90)	24.87

(₹ in Lakhs)

Expected payment for future years	Year ended March 31, 2023	Year ended March 31, 2022
Within the next 12 months (next annual reporting period)	19.27	8.73
Between 2 and 5 years	116.11	71.98
Between 6 and 10 years	200.80	132.94
Total expected payments	336.18	213.65

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 10.05 Years (March 31, 2022: 10.62 Years)

The fund is administered by "Shriram Housing Finance Company Employees Group Gratuity Trust". The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

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SHRIRAM HOUSING FINANCE LIMITED ☆ MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 46: Maturity analysis of assets and liabilities

Disclosure as per the circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 issued by Reserve Bank of India
The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	42,753.95	-	42,753.95	2,676.51	2,500.86	5,177.37
Bank balance other than above	4,585.61	1,614.59	6,200.20	16,800.09	977.27	17,777.36
Derivative financial instrument	56.32	-	56.32	-	-	-
Receivables	22.98	-	22.98	-	-	-
Loans	1,42,836.06	5,25,298.72	6,68,134.78	1,16,899.58	3,35,315.17	4,52,214.74
Investments	15,245.32	10,443.03	25,688.35	7,514.33	6,533.53	14,047.86
Other financial assets	4,914.69	13,013.40	17,928.09	3,877.28	11,692.70	15,569.98
Non-financial assets				-	-	
Current tax assets (Net)	1,129.40	-	1,129.40	-	570.72	570.72
Investment property	-	0.28	0.28	-	0.28	0.28
Property, plant and equipment	-	1,368.94	1,368.94	-	540.43	540.43
Right of use assets	-	3,808.61	3,808.61	30.30	1,391.41	1,421.71
Other intangible assets	-	81.55	81.55	-	309.83	309.83
Other non financial assets	1,125.51	499.52	1,625.03	572.07	558.82	1,130.89
Asset held for Sale	1,822.87	3,645.75	5,468.62	2,691.06	5,382.13	8,073.19
Total assets	**2,14,492.71**	**5,59,774.39**	**7,74,267.10**	**1,51,061.21**	**3,65,773.15**	**5,16,834.36**
Liabilities						
Financial liabilities						
Derivative financial instrument	-	-	-	5.49	-	5.49
Trade payables	1,907.91	14.69	1,922.60	1,380.70	26.09	1,406.79
Debt securities	26,265.52	1,00,888.75	1,27,154.27	14,170.88	39,158.74	53,329.62
Borrowings (other than debt security)	1,15,609.32	3,79,864.76	4,95,474.08	1,01,477.84	2,34,859.55	3,36,337.39
Subordinate Debts	47.03	6,930.69	6,977.72	-	-	
Lease liabilities	482.70	3,378.86	3,861.56	249.73	1,220.63	1,470.36
Other financial liabilities	5,217.59	169.58	5,387.17	4,580.15	177.32	4,757.47
Non-financial liabilities				-	-	
Current tax liabilities (Net)	-	-	-	-	-	-
Provisions	203.96	98.14	302.10	271.66	31.31	302.97
Deferred tax liabilities (Net)	(13.62)	2,760.08	2,746.46	213.11	2,973.17	3,186.28
Other non-financial liabilities	522.40	-	522.40	278.68	-	278.68
Total liabilities	**1,50,242.81**	**4,94,105.55**	**6,44,348.36**	**1,22,628.24**	**2,78,446.81**	**4,01,075.05**
Net	**64,249.90**	**65,668.84**	**1,29,918.74**	**28,432.98**	**87,326.34**	**1,15,759.31**

Classification of assets & liabilities under maturity bucket is based on management's estimates & assumptions. The same is also approved by the ALM committee of the Company

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Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 47: Contingent liabilities & commitments

(A) Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022 (₹ in Lakhs)
Income tax*	3,581.29	67.66
Bank guarantees / mortgage loan**	5,992.49	135.00

*Disputed income tax demand is on account of disallowance of royalty as an expense and by treating it as intangible asset, disallowance of deduction of excess interest spread income, and disallowance u/s 14A r.w. Rule 8D. The above demands are determinable only on receipt of judgements/decisions pending with various forums/authorities. The company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals

**Fixed deposit is under lien for bank Guarantee purpose to the extent for Rs 33.10 Lakh (March 31, 2022 Rs. 25.00 Lakh)
**Fixed deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of Rs. 110.00 Lakh (March 31, 2022 Rs. 110.00 Lakh)

**Fixed deposit is under lien to the extent for Rs 4727.29 Lakh (March 31, 2022 Rs. 1298.50 Lakh) marked in favour of "IDBI Trusteeship Services Limited" in respect to securitization as cash collateral.

**Fixed Deposit is under lien to extent of Rs 22.10 lakh (March 31, 2022 Rs. 21.14 Lakh) in favour of ICICI Bank in respect of sourcing and servicing agreement.

**Fixed Deposit is under lien to extent of Rs 1100 lakh (March 31, 2022 NIL) marked in favour of Catalyst Trusteeship Limited toward DSRA requirement of Life Insurance Corporation of India who is the investor for issuance of NCD Series XXVIII

(B) Commitments

Particulars	As at March 31, 2023	As at March 31, 2022 (₹ in Lakhs)
Estimated amount of contract remaining to be executed on capital account	71.21	92.90
Undrawn Commitments	55,564.68	46,402.48

Note 49: Disclosure of complaints

Customers complaints

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	220	125
c)	No. of complaints redressed during the year	218	125
d)	No. of complaints pending at the end of the year	2	-

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SHRIRAM HOUSING FINANCE LIMITED ☆ MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 48: Related party disclosures

Sr No.	Relationship		Name of the party
1	Promoter (Holding Company)		Shriram Finance Limited *
2	Promoter group		Shriram Value Services Limited
			Novac Technology Solutions (P) Limited
			Shriram Fortune Solutions Limited
			Shriram General Insurance Company Limited
			Shriram Insight Share Brokers Limited
			Shriram Life Insurance Company Limited
			Shriram Asset Management Company Limited ^#
			Shriram Financial Products Solutions (Chennai) Private Limited
			Insight Commodities and Futures Private Limited (Upto 18th May, 2022) ^#
			Shriram Financial Ventures (Chennai) Private Limited ^#
			Shriram Credit Company Limited ^
			Shriram Overseas Investments Private Limited ^#
			Shriram Wealth Limited ^#
			Bharath Investments Pte. Ltd., Singapore ^#
			SGI Philippines General Insurance Co. Inc. ^#
			Novac Digital Service Private Limited ^#
			Shriram LI Holdings Private Limited ^#
			SEA funds Management India Private Limited ^#
			Way2wealth Insurance Brokers Private Limited ^#
			Way2wealth Securities Private Limited ^#
			Way2wealth Brokers Private Limited ^#
			Way2wealth Commodities Private Limited ^#
			Shriram GI Holdings Private Limited ^#
			Shriram Investment Holdings Limited ^#
			Valiant Mauritius Partners FDI Ltd. (VMPL)
			Shriram Automall India Limited ^#
			Cartradeexchange Solutions Private Limited ^#
			Adroit Inspection Service Private Limited ^#
			Augeo Asset Management Private Limited ^#
3	Key Management Personnel		Mr. Subramanian Jambunathan
			Mr. Venkataraman Murali
			Mr. Srinivasa Chakravarthy Yalamati
			Mrs. Lakshminarayanan Priyadarshini
			Mr. Gauri Shankar Agarwal
			Mrs. Puja Shah ***
			Ms Bhavita Ashiyani **
4	Employees' benefit plan		Shriram Housing Finance Company Limited Employees Group Gratuity Fund Trust

* "Pursuant to the approval of the Composite scheme of Arrangement and Amalgamation between Shrilekha Business Consultancy Private Limited and Shriram Financial Ventures (Chennai) Private Limited and Shriram Capital Limited and Shriram Transport Finance Company Limited ("STFC") and Shriram City Union Finance Limited ("SCUF") and Shriram LI Holdings Private Limited and Shriram GI Holdings Private Limited and Shriram Investment Holdings Limited and their respective Shareholders by the Hon'ble National Company Tribunal, Chennai vide Common Order dated November 14, 2022 together with Corrigendum Order dated November 17, 2022, , SCUF was merged with STFC. As part of the Scheme the name of STFC has changed to "Shriram Finance Limited" w.e.f 30.11.22.

Since SCUF was the Promoter of the Company before the merger and in view of the above Order, Shriram Finance Limited is now the Promoter of SHFL."

All figures have been shown as gross exclusive of GST 9%. Whereever applicable.

There are no transactions with relatives of Key Management Personnel as at March 31, 2023.

** Date of exit 31.01.2022

*** Date of Joining 11.2.2022

become related party w.e.f 01.04.2022

^ no transaction entered during the year.

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 48: Related party Transactions

Related party transactions during the year:

(₹ in Lakhs)

Particulars	Promoter (Holding Company)		Promoter Group		Employees' benefit plan		Key Management Personnel		Total	
	As at Mar 31, 2023	As at Mar 31, 2022	As at Mar 31, 2023	As at Mar 31, 2022	As at Mar 31, 2023	As at Mar 31, 2022	As at Mar 31, 2023	As at Mar 31, 2022	As at Mar 31, 2023	As at Mar 31, 2022
Remuneration to Directors (Sitting Fees)										
Mr. V Murali							11.50	9.50	11.50	9.50
Ms Lakshminaryanan Priyadarshini							11.51	11.00	11.51	11.00
Equity Contribution -SFL	-	50,000.00							-	50,000.00
Exercised ESOP- Mr.Subramanian Jambunathan	75.00								75.00	
Remuneration to other KMPs									-	-
Employee Benefits - Mr.Subramanian Jambunathan - Short Term Benefit							246.24	214.15	246.24	214.15
Employee Benefits - Mr.Subramanian Jambunathan - Share Based Payment							194.53	80.46	194.53	80.46
Employee Benefits - Mr.Gauri Shankar Agarwal							140.58	85.89	140.58	85.89
Employee Benefits - Mr.Gauri Shankar Agarwal - Share Based Payment							14.75	7.64	14.75	7.64
Employee Benefits - Ms Bhavita Ashiyani							-	12.73	-	12.73
Employee Benefits - Ms Puja R Shah							14.94	2.04	14.94	2.04
Reimbursement of Rent & Expenses										
Rent - SFL	43.61	50.65							43.61	50.65
Rent - SFPS			0.91	1.26					0.91	1.26
Rent - SFSL			0.96						0.96	-
Expenses reimbursements - SFL	26.94	20.03							26.94	20.03
Expenses reimbursements - SFPS			1,002.50	427.13					1,002.50	427.13
Expenses reimbursements - SISBL			0.61	1.04					0.61	1.04
Expenses reimbursements - SLIC			30.92	24.49					30.92	24.49
Expenses reimbursements - SGIL			20.86	11.91					20.86	11.91
Expenses reimbursements - SCCL			30.00	-					30.00	-
Expenses reimbursements - NOVAC	-		511.47	502.71					511.47	502.71
Royalty Fees - SVS			793.63	548.19					793.63	548.19
Other Payments										
Transfer of liability for Gratuity/Leave - SFL	-	2.20							-	2.20
Other Receipts										
Transfer of liability for Gratuity/Leave - SFL	14.93	4.89							14.93	4.89
Rent Received										
Rent - SFL	5.54	6.33							5.54	6.33
Electricity, telephone and										
printing charges and others Received										
Expenses reimbursement - SFL	3.50	3.50							3.50	3.50
Expenses reimbursement - SLIC			2.12	4.72					2.12	4.72
Received on assignment deal - SFL	3,215.28	4,195.44							3,215.28	4,195.44
Payment on assignment deal - SFL	-	4,570.02							-	4,570.02
Employer contribution to employees group gratuity assurance scheme					150.00	125.00			150.00	125.00
Loans given and repayments										
Loan EMI received - Mr.Gauri Shankar Agarwal							15.26	15.26	15.26	15.26
Loan EMI received - Mr.Subramanian Jambunathan							13.42		13.42	
Loan disbursement - Mr.Subramanian Jambunathan							300.00	-	300.00	
Advances - Mr.Gauri Shankar Agarwal							-	20.00	-	20.00
Advances recovered - Mr.Gauri Shankar Agarwal							20.00	-	20.00	-
Balance outstanding as at March 31,2023 :										
Share Capital - SFL	27,655.11	27,655.11							27,655.11	27,655.11
Share Capital - VMPL			4,872.00	4,872.00					4,872.00	4,872.00
Expenses Payable to SFL	23.66	23.29							23.66	23.29
Expenses Receivable from SFL	57.40	51.46							57.40	51.46
Expenses Payable to SFPS			-	3.25					-	3.25
Expenses Payable to SVS Royalty			246.24	164.83					246.24	164.83
Expenses Payable to SISBL			0.04	0.14					0.04	0.14
Expenses Payable to NOVAC			12.71	15.30					12.71	15.30
Loan receivable from Mr.Subramanian Jambunathan							295.05		295.05	
Advances receivable from Mr.Gauri Shankar Agarwal							-	20.00	-	20.00
Loan Receivable from Mr.Gauri Shankar Agarwal	-	-	-	-			110.15	118.55	110.15	118.55

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CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LTD
MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 50(a): Disclosures pertaining to fund raising by issuance of debt securities by large corporate
The Company, as per the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144, and the definitions therein, is a Large Corporate and hence is required to disclose the following information about its borrowings.

Sr. No.	Particulars		As at March 31, 2023	As at March 31, 2022
1	Name of the company		Shriram Housing Finance Limited	
2	CIN		U65929TN2010PLC078004	
3	Outstanding borrowing of the Company (₹ in Lakhs)		6,29,606.08	3,89,667.00
4	**Highest Credit Rating During the previous FY along with name of the Credit Rating Agency**			
Sr No.	Agency	Rating	Date of Rating	Purpose
(i)	CRISIL	CRISIL AA+ / Stable	December 31, 2022	Long Term Bank Term Loans and Non-Convertible Debentures
(ii)	India Ratings	IND AA+ / Stable	January 2, 2023	
(iii)	CARE Ratings	CARE AA+ /Stable	December 21, 2022	

*Credit Watch Positive

5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Ltd.

Note 50(b): Annual Disclosure to be made by an entity identified as a large corporate

(₹ in Lakhs)

Sr. No.	Particulars	Details	
1	3-year block period (specifying financial years)	FY 2022, FY 2023 and FY 2024	FY 2022 and FY 2023
2	Incremental borrowing done in FY (a)*	3,88,301.12	1,65,500.00
3	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	97,075.28	41,375.00
4	Actual borrowings done through debt securities in FY (c)	90,800.00	21,000.00
5	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	20,375.00	37,525.00
6	Reasons for short fall, if any, in mandatory borrowings through debt securities	SHFL has been constantly increasing their fund raising through debt capital market instruments. In FY23 the company raised Rs. 908 Cr. through debt capital market instruments, as against Rs. 210 Cr. in FY22. The percentage share of funds raised through debt capital market instruments has also increased from less than 13% of the total funds raised in FY22 to more than 23% of the total funds raised in FY23. We are witnessing increased demand of our bonds in the debt capital market, which was further fueled by the upgrade in the rating of our long term instruments from AA to AA+. The gap between the mandatory borrowings and actual borrowings through debt securities was very minor in FY23 and SHFL is committed towards bridging this gap and raising funds through debt securities on a continuous basis.	SHFL has been continuously putting attempts for on taping debt capital market. The Company has successfully raised Rs. 210 Crore in FY 22. The Market sentiments to NBFC / HFC sector was negative, which was further deteriorated by Covid-19 Pandemic. SHFL is committed towards raising funds through the debt market and putting constant efforts to raise funds from debt capital market

Details of penalty to be paid, if any, in respect to previous block

Sr. No.	Particulars	Details	Details
1	3-year block period (specifying financial years)	FY 2022, FY 2023 and FY 2024	FY 2021 and FY 2022
2	Amount of fine to be paid for the block, if applicable fine = 0.2% of {(d)-(e)}	Nil	Nil

***Notes:**
(i) Figures pertain to long term borrowing basis original maturity of more than one year (excludes funds raised by way of direct assignment, securitisation)
(ii) Figures are taken on the basis of cash flows/principal maturity value, excluding accrued interest, if any.

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 51 :Fair value measurement - Financial assets and liabilities

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet.

Financial assets and liabilities
The carrying value of financial instruments by categories and valuation hierarchy as at March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Carrying amount	Fair value		
	As at March 31, 2023	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	42,753.95	42,753.95	-	-
Bank balance other than above	6,200.20	6,200.20	-	-
Receivables	22.98	-	-	22.98
Loans	6,68,134.78	-		6,65,842.54
Investment in commercial paper	1,906.78	-	1,906.78	-
Investment in treasury bill	-	-	-	-
Investment in Government Securities	6,766.50	-	6,766.50	-
Investment in state development loan	3,042.17	-	3,042.17	-
Investment in Market Linked Debentures	4,732.26	-	4,732.26	-
Investments in pass through certificate	1,092.56	-	1,092.56	-
Other financial assets	17,928.09	-		17,928.09
Financial assets measured at fair value on a recurring basis				
Investments in mutual funds	7,504.46	7,504.46	-	-
Investments in security receipts**	643.63	-	643.63	-
Derivative financial instrument	56.32	56.32	-	-
Total	**7,60,784.68**	**56,514.93**	**18,183.90**	**6,83,793.61**
Financial liabilities at amortised costs:				
Trade payables	1,922.60	-	-	1,922.60
Debt securities***	1,27,154.28	-	1,25,645.54	-
Borrowings	4,95,474.08	-	4,95,474.08	-
Subordinate Debts	6,977.72	-	6,907.03	-
Lease liabilities	3,861.56	-	-	3,861.56
Other financial liabilities	5,387.17	-	-	5,387.17
Financial assets measured at fair value on a recurring basis				
Derivative financial instrument	-	-	-	-
Total	**6,40,777.41**	**-**	**6,28,026.65**	**11,171.33**
Off balance sheet items				
Other commitments	55,564.68	-	-	55,564.68
Total off-balance sheet items	**55,564.68**	**-**	**-**	**55,564.68**

*Fixed rate loans & advances having carrying value of Rs 3,99,019.03 Lakh (Fair Value Rs 3,93,596.08 Lakh) on March 31, 2023 have been included above.
**The instruments included in level 2 of fair value hierarchy have been measured based on their net asset value (NAV) as published in their year end statement
***Fixed rate debt securities having carrying value of Rs 70935.00 Lakh (Fair Value Rs 69426.26 Lakh) on March 31, 2023 have been included above.
***Fixed rate Subordinate debts having carrying value of Rs 6977.72 Lakh (Fair Value Rs 7056.95 Lakh) on March 31, 2023 have been included above.

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Fixed	Floating	Fixed	Floating
Loans & advances	3,99,019.03	2,69,115.74	2,40,507.23	2,11,707.52
Debt securities	70,935.00	56,219.28	33,058.13	20,271.49
Subordinate Debts	6,977.72	-	-	-

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

The carrying value of financial instruments by categories and valuation hierarchy as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Carrying amount As at March 31, 2022	Fair value Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	5,177.38	5,177.38	-	-
Bank balance other than above	17,777.36	17,777.36	-	-
Receivables	-	-	-	-
Loans	4,52,214.75	-	-	4,21,202.93
Investment in commercial paper	7,438.38	-	7,438.38	-
Investment in treasury bill	4,901.02	-	4,901.02	-
Investment in Government Securities	-	-	-	-
Investment in state development loan	5.00	-	5.00	-
Investment in Market Linked Debentures	-	-	-	-
Investments in pass through certificate	883.72	-	883.72	-
Other financial assets	15,569.98	-	-	15,569.98
Financial assets measured at fair value on a recurring basis				
Investments in mutual funds	-	-	-	-
Investments in security receipts**	819.72	-	819.72	-
Derivative financial instrument	-	-	-	-
Total	**5,04,787.31**	**22,954.74**	**14,047.84**	**4,36,772.91**
Financial liabilities at amortised costs:				
Trade payables	1,406.79	-	-	1,406.79
Debt securities***	53,329.62	-	52,804.61	-
Borrowings	3,36,337.39	-	3,36,337.39	-
Subordinate Debts	-	-	-	-
Lease liabilities	1,470.36	-	-	1,470.36
Other financial liabilities	4,757.47	-	-	4,757.47
Financial assets measured at fair value on a recurring basis				
Derivative financial instrument	5.49	5.49	-	-
Total	**3,97,307.12**	**5.49**	**3,89,142.00**	**7,634.62**
Other commitments	46,402.48	-	-	46,402.48
Total off-balance sheet items	**46,402.48**	**-**	**-**	**46,402.48**

*Fixed rate loans & advances having carrying value of Rs 2,40,507.23 Lakh (Fair Value Rs 2,06,201.10 Lakh) on March 31, 2022 have been included above.
**The instruments included in level 2 of fair value hierarchy have been measured based on their net asset value (NAV) as published in their year end statement
***Fixed rate debt Securities having carrying value of Rs 33,058.13 Lakh (Fair Value Rs 32,804.61 Lakh) on March 31, 2022 have been included above.

Fair Value Measurement - Assets held for sale

Assets held for sale are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets were measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value as per the terms of approved valuation policy.

The non-recurring fair value measurement for the assets held for sale has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. Refer note on Assets held on sale for details, Note no 16

(₹ in Lakhs)

Particulars	Fair Value Hierarchy - Level 2 As at March 31, 2023	As at March 31, 2022
Assets held for sale	5,468.62	8,073.19
Total	**5,468.62**	**8,073.19**

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Note 52: Accounting policy

The Accounting policies adopted in the preparation and presentation of these financial statements are the same as those adopted in the preparation and presentation of the preceding annual financial statements for the year ended March 31, 2023

Note 53: Risk Management

The Company is registered with the National Housing Bank (NHB), and is in the business of lending to individuals and non individual clients whether on secured or unsecured basis. The Company faces various risks in its gamut of operations. The Company has out in place a Risk Management Policy to ensure that the risks that the Company faces are identified and dealt / controlled in a manner that the Company can continue its operations in a profitable and sustainable manner.

Risk-taking is an inherent element of business and, indeed, profits are in part the reward for successful risk taking in business. On the other hand, excessive and poorly managed risk can lead to losses and thus endanger the safety of the Company. Accordingly, the Company places significant emphasis on the adequacy of management of risk. This document is set to outline the approach towards risk and the process of oversight and management of the risks.

The Risk Management policy has laid down the various guidelines for risk identification, measurement, monitoring and control at each risk level.

The Board would have the ultimate responsibility in relation to the oversight of the risk management process. The Board of the Company also draws support from the Audit & Risk management committee (ARMC) of the Board which provides oversight over the risk management process. The ARMC has put in place a risk management policy which is implemented in the Company.

Senior management would be responsible for implementing strategies in a manner that limits risks associated with each strategy and that ensures compliance with laws and regulations, risk policies and control limits, on both a long-term and day-to-day basis. Accordingly, management would be fully involved in the activities and possess sufficient knowledge of all major products to ensure that appropriate policies, controls, and risk monitoring systems are in place and that accountability and lines of authority are clearly delineated. Senior management would also responsible for establishing effective internal controls and high ethical standards.

The Company has ensured that adequate policies and procedures are in place for each of the key risks, further a detailed MIS and monitoring mechanism is in place. Further the Company has also put in place internal control mechanisms to review monitor and control risks.

Some of the key risks faced by the Company include –
Credit Risk –

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit risk department of the Company's independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of the Customer.

A detailed credit policy has been designed by the Company for each product type and customer segment.
Credit risk on loans and advances –

Credit risk is controlled by analysing the credit limits and credit worthiness of the customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. An impairment analysis is performed at each reporting date on a portfolio basis. The Company holds collateral as security against all the loans advanced. The Company obtains the possession of these collaterals in case of default by customer to meet its obligation. These assets are then sold in to recover the loan value.
The impairment of the credit risk on the loans is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a -
Probability of default (PD) X Exposure at Default (EAD) X (Loss given default X discount rate – (LGD)).

Company calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous characteristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of impaired assets where lifetime PD is to be applied, the PD is extrapolated to take into account the probability of default over the lifetime of the asset.

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.
The Loss Given Default (LGD) is reviewed by the credit and collections teams every 3 months if not earlier. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.
The Company segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.
The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12m ECL or LTECL, the Company assesses whether there has been an event which could cause a significantly impair the underlying asset or the customers ability to pay and accordingly increase the 12 month ECL to a LTECL.

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Disclosure as per the circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 issued by Reserve Bank of India (Continue..)

Note 75: Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

(₹ in Lakhs)

Regulatory capital	As at March 31, 2023	As at March 31, 2022
Common Equity Tier1 (CET1) capital	1,11,043.97	99,782.12
Other Tier 2 capital instruments	10,191.77	3,395.08
Total capital	1,21,235.74	1,03,177.20
Risk weighted assets	4,75,809.90	3,34,085.78
Tier I CRAR (%)	23.34	29.87
Tier II CRAR (%)	2.14	1.02
Total capital ratio (%)	25.48	30.89

Regulatory capital consists of CET 1 capital, which comprises share capital, share premium, retained earnings including current year profit. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is other Tier 2 Capital, which includes ECL on stage 1 loan assets & subordinate debts.

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Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 53: Risk Management

The Company's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 89 dpd
Non-performing	90+ dpd

Credit risk on investment –

The Company carries out investments in pass through certificates (PTC). The Company recognises the credit risk in the PTC by estimating the probability of default (PD). The investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch in the credit rating. 12 month PD rates are applied for Stage 1 investments. Further in case there is a higher notch down in credit rating, the investment is taken as at Stage 2 and life time PD is applied. Any investment which is non performing or in default or restructured is taken to be as at Stage 3.

PD is estimated based on various external information including information available through the CRISIL default study reports among others. The exposure at default (EAD) is the carrying value of the investment as at the reporting date. The loss given default (LGD) is calculated as per the RBI FIRB report which stipulates the LGD rates for secured or unsecured investments.

The Company continues to evaluate other external information and data on the Company and the underlying assets to evaluate any changes to the ECL methodology applied.

Internal rating grade on Investment

Internal rating grade	Basis
High grade	Government Securities, A+ and above rating Investments.
Standard grade	A rating

Credit risk on other financial assets –

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Liquidity risk –

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. The treasury department reporting into the CFO monitors the cash flows on a regular basis. Treasury department is divided into the resource mobilisation and the ALM team. The resource mobilisation team reviews the cash flows, business growth expected and accordingly works with the ALMT to ensure that adequate liquidity is available.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2023

Maturity pattern of assets and liabilities as on March 31, 2023:

(₹ in Lakhs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and other bank balances	45,043.28	83.34	2,548.22	1,742.31	-	-	49,417.15
Derivative financial instruments	-	-	56.32	-	-	-	56.32
Receivables	22.98	-	-	-	-	-	22.98
Loans at amortised cost	59,323.48	55,834.78	1,02,012.07	3,04,146.41	1,90,105.52	2,52,352.62	9,63,774.88
Financial investments at amortised cost	5,930.66	2,138.47	200.22	5,538.26	2,862.35	5,285.74	21,955.70
Financial investments at FVTPL	7,504.46	-	-	214.55	214.55	214.55	8,148.11
Financial investments at FVOCI							-
Other financial assets	1,295.66	1,225.47	2,414.32	7,166.56	4,153.99	1,814.31	18,070.31
Total undiscounted financial assets	**1,19,120.52**	**59,282.06**	**1,07,231.15**	**3,18,808.09**	**1,97,336.41**	**2,59,667.22**	**10,61,445.45**
Financial liabilities							
Derivative financial instruments	-	-	-	-	-	-	-
Trade payables	1,618.08	244.87	44.96	14.69	-	-	1,922.60
Deposits	-	-	-	-	-	-	-
Debt securities	24,012.11	2,708.19	8,397.17	87,278.82	13,275.60	34,382.92	1,70,054.81
Borrowings (other than debt securities)	30,822.76	40,363.80	77,899.39	2,71,880.85	1,17,043.27	41,845.49	5,79,855.56
Subordinated liabilities	52.81	(1.94)	634.62	1,905.67	3,171.06	7,585.50	13,347.72
Lease liabilities	193.99	192.12	386.47	1,584.84	1,258.74	1,384.08	5,000.24
Other financial liabilities	4,904.36	2.54	310.68	-	-	169.58	5,387.16
Total undiscounted financial liabilities	**61,604.11**	**43,509.58**	**87,673.29**	**3,62,664.87**	**1,34,748.67**	**85,367.57**	**7,75,568.09**
Net undiscounted financial assets/(liabilities)	**57,516.41**	**15,772.48**	**19,557.86**	**(43,856.78)**	**62,587.74**	**1,74,299.65**	**2,85,877.36**

Classification of assets & liabilities under maturity bucket is based on management's estimates & assumptions. The same is also approved by the ALM committee of the Company

T R Chha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Maturity pattern of assets and liabilities as on March 31, 2022:

(₹ in Lakhs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							-
Cash and cash equivalents and other bank balances	6,468.68	-	99.32	10,504.86	6,061.38	-	23,134.24
Loans at amortised cost	24,225.79	18,897.07	37,782.60	1,52,937.85	1,43,922.89	5,11,561.23	8,89,327.43
Financial investments at amortised cost	7,500.00	-	-	5,000.00	-	8.26	12,508.26
Financial investments at FVTPL	-	-	-	273.24	273.24	273.24	819.72
Financial investments at FVOCI	42.49	41.29	80.42	332.57	338.74	563.69	1,399.20
Other financial assets	1,305.72	954.61	1,833.94	5,843.04	3,642.40	2,027.97	15,607.68
Total undiscounted financial assets	39,542.68	19,892.97	39,796.28	1,74,891.56	1,54,238.65	5,14,434.39	9,42,796.53
Financial liabilities							
Derivative financial instruments	5.49	-	-	-	-	-	5.49
Trade payables	1,210.61	6.09	10.44	3.05	13.25	9.79	1,253.23
Deposits	-	-	-	-	-	-	-
Debt securities	13,982.71	257.33	2,050.75	38,868.77	908.27	6,626.93	62,694.76
Borrowings (other than debt securities)	36,450.19	29,311.53	56,451.44	1,56,310.28	66,226.45	49,835.31	3,94,585.20
Subordinated liabilities	-	-	-	-	-	-	-
Lease liabilities	81.06	55.83	112.84	400.85	403.83	415.95	1,470.36
Other financial liabilities	4,586.32	153.57	-	26.79	-	131.74	4,898.42
Total undiscounted financial liabilities	56,316.38	29,784.35	58,625.47	1,95,609.74	67,551.80	57,019.72	4,64,907.46
Net undiscounted financial assets/(liabilities)	(16,773.70)	(9,891.38)	(18,829.19)	(20,718.18)	86,686.85	4,57,414.67	4,77,889.07

Interest rate risk –

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates also and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

As at March 31, 2023 (₹ in Lakhs)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	56,219.28	562.19	(562.19)
Term Loans - Bank	3,91,739.46	3,917.39	(3,917.39)
Term Loans - National Housing Bank	55,191.15	551.91	(551.91)
Term Loans - Financial institution	13,285.36	132.85	(132.85)
Loans & advances	2,69,115.74	(2,691.16)	2,691.16
Total		2,473.20	(2,473.20)

As at March 31, 2022 (₹ in Lakhs)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	20,271.49	202.71	(202.71)
Term Loans - Bank	2,57,002.37	2,570.02	(2,570.02)
Term Loans - National Housing Bank	55,463.27	554.63	(554.63)
Term Loans - Financial institution	6,643.81	66.44	(66.44)
Loans & advances	2,11,707.52	(2,117.08)	2,117.08
Total		1,276.73	(1,276.73)

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Currency Risk

The Company is exposed to currency risk on account of its borrowings in foreign currency. The fluctuation currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes.

Following are the forward contracts to hedge the foreign exchange rate as March 31, 2023 and March 31, 2022

(₹ in Lakhs)

Particulars	Purpose	Currency	Cross currency	March 31, 2023	March 31, 2022
Forward contract (principal)	Term loan	USD	Rs.	4,533.05	5218.44

T R Chadha & Co. LLP
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CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED
MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Disclosure as per the circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 issued by Reserve Bank of India

Note 54 : No Funds raised through Preferential allotment of shares (March 31, 2022 Nil)

Note 55 : Value of Imports on CIF basis- NIL (March 31, 2022 Nil)

Note 56: Foreign exchange earnings - NIL (March 31, 2022 Nil) and out go - INR 7,18,485/- or $8,500 (March 31, 2022 Nil).

Note 57: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by SHFL
The company has not lent to any Single Borrower exceeding 15% (March 31, 2022- Nil) of its owned funds.
The company has not lent to any Single group of Borrowers exceeding 25% (March 31, 2022 - Nil) of its owned funds.

Note 58: The company has made unsecured advances during the year (refer note 7) (March 31, 2022 Nil)

Note 59: The company obtained registrations from other financial sector regulators.

Regulator	Registration Number
Securities and Exchange Board of India (SEBI)	10788
Legal Entity Identifier (LEI)	335800ZKQETKBOF4YT05
Ministry of Corporate Affairs (MCA)	U65929TN2010PLC078004

Note 60: No penalties have been imposed by NHB/RBI and other regulators during the current and previous year. There were no adverse comments in writing from RBI/NHB on regulatory compliance requiring disclosures.

Note 61: There are no such circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties

Note 62: There has been no case of draw down of any specific reserves. Please refer "Note 27 - Other Equity"

Note 63: During the year the Company has not financed product of the parent company

Note 64 : IND AS 110 - There are no subsidiaries of the company, hence the Consolidated financial Statement is not applicable to a company.

Note 65(a): Forward rate agreement (FRA) / Interest rate swap (IRS)

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	The notional principal of swap agreements	NA	NA
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii)	Collateral required by the SHFL upon entering into swaps		
(iv)	Concentration of credit risk arising from the swaps		
(v)	The fair value of the swap book		

(b) Exchange traded interest rate (IR) derivative

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	NA	NA
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2023 (instrument-wise)		
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		

(c) Disclosures on Risk exposure in derivatives
A. Qualitative Disclosure - NA
B. Quantitative Disclosure

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2023		As at March 31, 2022	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)	Derivatives (notional principal amount)	4,533.05	NA	5,218.44	NA
(ii)	Marked to market positions [1] (a) Assets (+) (b) Liability (-)	56.32		(5.49)	
(iii)	Credit exposure [2]	4,533.05		5,218.44	
(iv)	Unhedged exposures	-		-	

Note 66: Exposure to capital market

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs /ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds' does not fully cover the advances.	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
(vi)	Loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
(vii)	Bridge loans to companies against expected equity flows / issues.	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	-	-

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Note 67: Overseas assets

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
	NA	NA	NA

(o) Off-balance sheet SPVs sponsored

(₹ in Lakhs)

Sr. No.	Name of SPV sponsored	As at March 31, 2023	As at March 31, 2022
(i)	Domestic	NA	NA
(ii)	Overseas	NA	NA

Note 68: Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	The principal amount remaining unpaid to supplier as at the end of the year	-	-
(ii)	The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(iv)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without	-	-
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small	-	-

Note 69: Exposure to group companies engaged in real estate business

		As at March 31, 2023		As at March 31, 2022	
Sr. No.	Description	Amount (Rs Lakhs)	% of owned fund	Amount (Rs Lakhs)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	Nil	Nil	Nil	Nil
(ii)	Exposure to all entities in a group engaged in real estate business	Nil	Nil	Nil	Nil

Note 70: Remuneration of directors - Pecuniary relationship of non executive directors

Remuneration paid to directors is reflected in Note 48 **"Related Party Transaction"**. There is no pecuniary relationship or transactions of the non-executive directors with the company or its directors, senior management or group companies.

Note 71: Prior period items and changes in accounting policies.

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
		Amount (Rs Lakhs)	Amount (Rs Lakhs)
(i)	Prior period items	NA	NA
(ii)	Changes in accounting policies.	Refer Notes 1,2 & 3	Refer Notes 1,2 & 3

Note 72: Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements (March 31, 2022 Rs. Nil)

Note 73:

The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards applicable social security schemes. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

Note 74: Details of principal business criteria is as follows

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	% of total asset towards housing finance	57.93%	57.78%
2	% of total asset towards housing finance for individuals	52.73%	51.63%

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

Disclosure as per the circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 issued by Reserve Bank of India (Continue..)

Note 76(a): Transfer to reserve fund:
As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of Rs. 2,776.01 Lakh (March 31, 2022 Rs. 1613.72 Lakh).

(₹ in Lakhs)

Particulars as at	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	3,288.64	2,509.01
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act	3,310.57	2,476.48
c) Total	6,599.21	4,985.49
Addition / Appropriation / Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	1,465.91	779.63
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	1,310.10	834.09
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	4,754.55	3,288.64
b) Amount of special reserve u/s 36(1)(viii) of Income tax act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	4,620.67	3,310.57
c) Total	9,375.22	6,599.21

Note 76(b): Capital to risk ratio (CRAR)

Items	As at March 31, 2023	As at March 31, 2022
1.CRAR(%)	25.48%	30.89%
2.CRAR(%)Tier I capital	23.34%	29.87%
3.CRAR(%)Tier II capital	2.14%	1.02%
4.Amount of subordinated debt raised as Tier- II Capital (₹ in Lakh)	7,000.00	-
5.Amount raised by issue of perpetual debt instruments	-	-

Note 76(c): Exposure to real estate sector

I) Direct exposure
i) Residential mortgages
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented

(₹ in Lakhs)

Category	As at March 31, 2023	As at March 31, 2022
(i) Housing loan to individuals upto Rs. 15 Lakhs	93,531.54	61,238.87
(ii) Housing loan to individuals more than Rs. 15 Lakhs	3,11,733.30	2,14,464.51
(iii) Non housing loan against residential property	1,86,781.14	1,24,254.51

(ii) Commercial real estate

(₹ in Lakhs)

Category	As at March 31, 2023	As at March 31, 2022
Lending secured by mortgages on commercial real - estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) exposure includes non-fund based (NFB) limits.	76,088.80	52,256.85

iii) Investment in mortgage backed securities (MBS) and other securitized exposures

(₹ in Lakhs)

Category	As at March 31, 2023	As at March 31, 2022
a) Residential	-	-
b) Commercial real estate	-	-

II) Indirect exposure
Company has fund based exposure of Rs 4,330.63 lakh (March 31, 2022 Rs. 1,247.76 lakh) in Housing Finance Companies.

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SHRIRAM HOUSING FINANCE LIMITED * MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Disclosure as per the circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No:120/03.10.136/2020-21 issued by Reserve Bank of India (Continue..)

Note 77: Provisions & Contingencies

(₹ in Lakhs)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss Account	As at March 31, 2023	As at March 31, 2022
1. Provisions for depreciation on investment**	(6.23)	4.92
2. Provision made towards Income tax	3,646.97	2,235.82
3. Provision towards NPA*	(255.74)	437.05
4. Provision for standard assets*(with details like teaser loan, CRE , CRE RH etc.)		
(i) Teaser loans	-	-
(ii) CRE	(2.37)	1.54
(iii) CRE - RH	171.38	98.27
(iv) Other loans	9.46	1,024.66
5. Provision for Covid-19 impact	-	(1,000.00)
6. Provision for interest receivables on assignment	(20.56)	(242.43)
7. Provision for Asset Held for Sale	500.00	-
8. Other provision and contingencies		
Provision for gratuity	143.03	58.91
Provision for leave benefits	66.86	-
Provision for Lease	11.09	8.96

* Amount shown is as per expected credit loss(ECL) of loans & non funded exposure as per Ind AS .
** Amount shown is as per expected credit loss(ECL) of investment & ECL on interest on investment as per Ind AS

(₹ in Lakhs)

Break up of loan & advances and provisions thereon	Housing		Non-Housing	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Standard Assets				
a) Total Outstanding Amount	4,44,602.97	2,94,790.27	2,22,517.90	1,54,783.58
b) Provisions made*	2,019.48	2,130.36	1,621.77	1,264.70
Sub-Standard Assets				
a) Total Outstanding Amount	2,962.43	2,650.82	2,055.42	2,161.82
b) Provisions made*	739.54	609.29	511.81	447.97
Doubtful Assets – Category-I				
a) Total Outstanding Amount	509.55	256.68	381.64	829.10
b) Provisions made*	151.65	78.57	101.02	224.70
Doubtful Assets – Category-II				
a) Total Outstanding Amount	58.88	324.25	275.25	929.31
b) Provisions made*	15.89	91.83	68.08	224.80
Doubtful Assets – Category-III				
a) Total Outstanding Amount	-	35.83	-	691.87
b) Provisions made*	-	9.11	-	157.46
Loss Assets				
a) Total Outstanding Amount		-		-
b) Provisions made*		-		-
TOTAL				
a) Total Outstanding Amount	**4,48,133.83**	**2,98,057.85**	**2,25,230.21**	**1,59,395.68**
b) Provisions made*	**2,926.56**	**2,919.16**	**2,302.68**	**2,319.63**

*Amount shown under "provisions made" is expected credit loss(ECL) on loans as per IND AS

T R Chadha & Co. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Disclosure as per the circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 issued by Reserve Bank of India (Continue..)

Note 78: Investments

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Value of Investments		
(i) Gross value of investments		
(a) In India	25,689.08	14,054.80
(b) Outside India	-	-
(ii) Provisions for depreciation *		
(a) In India	(0.73)	(6.95)
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	25,688.33	14,047.85
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments*		
(i) Opening balance	6.95	2.03
(ii) Add: Provisions made during the year*	6.25	6.26
(iii) Less: Write-off / Written-back of excess provisions during the year*	(12.47)	(1.34)
(iv) Closing balance	0.74	6.95

*Amount shown is as per expected credit loss(ECL) on investment in PTC & Commercial papers as per Ind AS

Note 79(a) : Asset Liability Management:
Maturity pattern of certain items of Assets and Liabilities

(₹ in Lakhs)

Period	Liabilities		Assets	
	Borrowings from banks*	Market borrowings	Advances	Investment
1 day to 7 days(one month)	364.55	54.10	3,317.40	4.46
8 days to 14 days(one month)	-	9.76	3,317.40	-
15 days to 30 days(one month)	5,330.01	4,616.02	6,634.80	7,509.85
Over one month to 2 months	1,119.07	2,692.87	3,004.20	4.78
Over 2 months upto 3 months	15,891.69	14,672.98	2,744.12	5,771.26
Over 3 months to 6 months	31,283.37	1,022.16	36,723.34	1,922.14
Over 6 months to 1 year	61,620.63	3,244.66	57,094.81	32.84
Over 1 year to 3 years	2,25,141.65	68,265.21	2,30,041.49	4,492.02
Over 3 to 5 years	1,12,887.23	572.91	1,35,999.75	2,009.74
Over 5 to 7 years	13,943.77	5,899.72	77,689.85	338.78
Over 7 to 10 years	9,558.34	29,700.90	57,837.13	3,112.28
Over 10 Years	18,333.77	3,380.71	53,730.50	490.22
Total	**4,95,474.08**	**1,34,132.00**	**6,68,134.78**	**25,688.37**

*includes Borrowing from Financial institution

Classification of assets & liabilities under maturity bucket is based on management's estimates & assumptions. The same is also approved by the ALM committee of the Company

Note 79(b): Details of non- performing financial assets sold :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1. No. of accounts sold	142.00	-
2. Aggregate outstanding (₹ in Lakh)	2,335.87	-
3. Aggregate consideration received (₹ in Lakh)	1,375.00	-

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Disclosure as per the circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 issued by Reserve Bank of India (Continue..)

Note 80: Concentration of public deposits, advances, exposures and NPAs

(i) Concentration of public deposits (for public deposit taking/holding HFCs)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total deposits of twenty largest depositors Percentage of deposits of twenty largest depositors to total deposits of the HFC	N.A.	N.A.

(ii) Concentration of Loans & Advances

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total loans & advances to twenty largest borrowers	28,484.71	26,669.12
Percentage of loans & advances to twenty largest borrowers to Total Advances of the HFC	4.26%	5.90%

(iii) Concentration of all exposure (including off-balance sheet exposure)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure to twenty largest borrowers /customers	34,653.10	35,637.12
Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	4.79%	7.15%

(iv) Concentration of NPAs

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure to top ten NPA accounts	998.46	1,494.77

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Disclosure as per the circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 issued by Reserve Bank of India (Continue..)

Note 80: Concentration of public deposits, advances, exposures and NPAs
(v) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
		2022-23	2021-22
A.	**Housing Loans:**		
1	Individuals	0.59%	0.74%
2	Builders/project loan	-	-
3	Corporates	0.00%	0.13%
4	Others (specify)	-	-
B.	**Non-Housing Loans:**		
1	Individuals	0.83%	1.84%
2	Builders/project loan	-	-
3	Corporates	0.08%	0.37%
4	Others (specify)	-	-

(vi) Movement of NPAs

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(I)	Net NPAs to Net Advances (%)	0.69%	1.32%
(II)	Movement of NPAs (Gross)		
	a) Opening balance	7,879.68	6,422.18
	b) Additions during the year	5,775.85	4,730.70
	c) Reductions during the year	(7,412.36)	(3,273.20)
	d) Closing balance	**6,243.17**	**7,879.68**
(III)	Movement of Net NPAs		
	a) Opening balance	6,035.96	5,015.51
	b) Additions during the year	4,294.41	3,556.54
	c) Reductions during the year	(5,675.20)	(2,536.09)
	d) Closing balance	**4,655.17**	**6,035.96**
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	1,843.72	1,406.67
	b) Provisions made during the year	1,481.43	1,174.16
	c) Write-off/write-back of excess provisions	(1,737.16)	(737.11)
	d) Closing balance	**1,587.99**	**1,843.72**

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the year ended March 31, 2023

Disclosure as per the circular no RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 issued by Reserve Bank of India

Note 81(a): Sectoral Exposure

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in Lakhs)	Gross NPAs (₹ in Lakhs)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in Lakhs)	Gross NPAs (₹ in Lakhs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and allied activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans						
i. Housing Loan	4,86,955.12	3,530.86	0.73%	3,39,208.45	3,[illegible]67.58	0.96%
ii. Non Housing loan	2,41,973.60	2,712.30	1.12%	1,64,647.55	4,[illegible]12.09	2.80%
iii.Others	-					
Total of Personal Loans	7,28,928.71	6,243.16	0.86%	5,03,856.00	7,[illegible]79.67	1.56%
5. Others, if any	-	-	-	-	-	-

Note 81(b): Intra-group exposures

		(₹ in Lakhs)
Particulars	As at March 31, 2023	As at March 31, 2022
Total amount of intra-group exposures	-	-
Total amount of top 20 intra-group exposures	-	-
Percentage of intra-group exposures to total exposure of the NBFC on borrowers / customers	-	-

Note 81(c): Unhedged foreign currency exposure
There were no unhedged foreign currency exposure during the year (March 31, 2022: Nil)

Note 82: Breach of covenant
The company has not breached the terms of covenants in respect of loans availed, debt securities and subodinate debts issued during the current year (March 31, 2022: Nil)

Note 83: Divergence in Asset Classification and Provisioning
The National Housing Bank(NHB) assessment was completed till March 31, 2021 & the identified divergence was insignificant and well within the permissible limits.

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SHRIRAM HOUSING FINANCE LIMITED ☆ MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the year ended March 31, 2023

Disclosure as per the circular no RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 issued by Reserve Bank of India (Continue..)

Note 84(a): Disclosure of customer complaints

S. No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Number of complaints pending at the beginning of the year	-	-
2	Number of complaints received during the year	220	125
3	Number of complaints disposed during the year	218	125
3.1	Of which, number of complaints rejected by the NBFC	7	3
4	Number of complaints pending at the end of the year	2	-
	Maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	NA	NA
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	NA	NA
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	NA	NA
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NA	NA
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

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Note 84(b): Top 5 grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2023					
FCL Related	-	54	23%	-	-
Disbursement Related	-	26	160%	-	-
Refund Related	-	23	109%	-	-
Property Documents Relea	-	15	400%	-	-
PMAY CLSS	-	13	86%	-	-
Others-Miscellaneous	-	89	98%	2.00	-
Total	**-**	**220**	**76%**	**2.00**	**-**
As at March 31, 2022					
FCL Related	-	44	1000%	-	-
Refund Related	-	11	-59%	-	-
Disbursement Related	-	10	150%	-	-
Restructuring Related	-	8	NA	-	-
PMAY CLSS	-	7	75%	-	-
Others-Miscellaneous	-	45	25%	-	-
Total	**-**	**125**	**52%**	**-**	**-**

Note: No complaints were pending as on reporting date to the Board and further the high increase in % terms over previous years were due to variance of very low number of complaints received over the years. Small absolute change in the numbers has resulted in a large percentage change.

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

Disclosure as per the circular no RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 issued by Reserve Bank of India (Continue..)

Note 85: Related Party Transactions

(₹ in Lakhs)

Related Party	Parent (as per ownership or control)		Promoter		Promoter group		Subsidiaries		Associates/ Joint Ventures		Key Management Personnel@		Relatives of Key Management		Directors		Relatives of Directors		Others*		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Maximum outstanding during the year																						
Borrowings#																						
Deposits#																						
Placement of Deposits#																						
Advances#											438.55	146.45									438.55	146.45
Investments#																						
Balance outstanding at the year end																						
Borrowings#																						
Deposits#																						
Placement of Deposits#																						
Advances#											405.20	138.55									405.20	138.55
Investments#																						
Purchase of Fixed / Other Assets																						
Sale of Fixed / Other Assets																						
Interest Paid																						
Interest Received											15.34	7.36									15.34	7.36
Others*																						

@ Disclosures for directors and relatives of directors should be made separately in separate columns from other KMPs and relatives of other KMPs.

\# The outstanding at the year end and the maximum during the year are to be disclosed

* Specify item if total for the item is more than 5 per cent of total related party transactions. Related parties would include trusts and other bodies in which the NBFC can directly or indirectly (through its related parties) exert control or significant influence.

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Disclosure as per the circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 issued by Reserve Bank of India

Note 86 : Rating assigned by credit rating agencies and migration of ratings during the year

Rating agency	Rating Instrument	Rating assigned as on March 31, 2023	Rating assigned as on March 31, 2022
India Ratings and Research Pvt. Ltd	Non-Convertible Debentures (NCDs)	IND AA+ / Stable	IND AA / Positive
	Bank Loans	IND AA+ / Stable	IND AA / Positive
CARE Ratings Ltd.	Non-Convertible Debentures (NCDs)	CARE AA+ / Stable	CARE AA / Credit Watch Positive
	Commercial Papers (CP)	CARE A1+	CARE A1+
	Long Term Bank Facilities	CARE AA+/ Stable	CARE AA / Credit Watch Positive
	Subordinate Debt	CARE AA+/ Stable	CARE AA / Credit Watch Positive
ICRA Limited	Commercial Papers (CP)	ICRA A1+	NA
CRISIL Ratings	Bank Loan Facilities	CRISIL AA+ / Stable	CRISIL AA / Watch Positive
	Subordinate Debt	CRISIL AA+ / Stable	NA
	Non-Convertible Debentures (NCDs)	CRISIL AA+ / Stable	CRISIL AA / Watch Positive
	Principal Protected Market Linked Debentures	CRISIL PPMLD AA+ / Stable	NA

Note 87: Disclosure of frauds reported

Instances of fraud for the year ended March 31, 2023:

(₹ in Lakhs)

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount written-off
Fraud committed by borrowers and outsiders	-	-	-	-

Instances of fraud for the year ended March 31, 2022:

(₹ in Lakhs)

Nature of fraud	No. of cases*	Amount of fraud	Recovery	Amount written-off
Fraud committed by borrowers and outsiders	-	-	-	-

T.R. Chadha & Co. LLP ☆ MUMBAI ☆ CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED ☆ MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 88(a): Disclosure relating assignment

(i) The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

(₹ in Lakhs)

S. No.		Particulars	As at March 31, 2023	As at March 31, 2022
1		No of transactions assigned by the Company	34	22
2		Total amount of outstanding	1,29,453.88	77,522.81
3		Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet		
	a)	Off-balance sheet exposures		
		First loss	-	-
		Others	-	-
	b)	On-balance sheet exposures		
		First loss	-	-
		Others	17,121.07	11,234.59
4		Amount of exposures to assigned transaction other than MRR		
	a)	Off-balance sheet exposures		
		i) Exposure to own securitisations		
		First loss	-	-
		Others	-	-
		ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
	b)	On-balance sheet exposures	-	-
		i) Exposure to own securitisations		
		First loss	-	-
		Others	-	-
		ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-

(ii) Direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium: Nil (March 31, 2022: Nil)

Note 88(b): The Company has sold financial assets to securitisation / reconstruction company for asset reconstruction during the year: refer note 88(d)(ii) (March 31, 2022 Nil)

Note 88(c): Details of assignment transactions undertaken by the Company

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
No. of accounts	12	10
Aggregate value (net of provision) of account sold	77,289.94	42,649.74
Aggregate consideration	77,289.94	42,649.74
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	-	-
Consideration received including new financial asset obtained at fair value	77,289.94	42,649.74
Net gain on derecognition of financial instruments under amortised cost category	6,465.38	5,508.35

Note 88(d): Details of purchased/sold non-performing assets of the company:

i) Details of non-performing financial assets purchased

The Company has not purchased any non-performing assets during the financial year ended 31st March, 2023 and 31st March, 2022.

ii) Details of non-performing financial assets sold

(₹ in Lakhs)

Sr. No	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Number of accounts sold	142.00	-
(ii)	Aggregate outstanding, net of provisions	1,682.48	-
(iii)	Aggregate consideration received	1,375.00	-

Note: The Company has de-recognised these assets in accordance with Ind AS 109

Note 88(e): Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% /80%/87%/85% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,29,453.88	77,522.81
Carrying amount of exposures retained by the Company at amortised cost	17,121.07	11,234.59

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Shriram Housing Finance Limited ★ Mumbai

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 88(f): Disclosure relating assignment (Non-STC Transaction)

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

(₹ in Lakhs)

S. No.	Particulars		As at March 31, 2022	As at March 31, 2022
1	No of transactions assigned by the Company		34	22
2	Total amount of outstanding		1,29,453.88	77,522.81
3	Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet			
	a)	Off-balance sheet exposures		
		First loss	-	-
		Others	-	-
	b)	On-balance sheet exposures		
		First loss		-
		Others	17,121.07	11,234.59
4	Amount of exposures to assigned transaction other than MRR			
	a)	Off-balance sheet exposures		
		i) Exposure to own securitisations		
		First loss	-	-
		Others	-	-
		ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
	b)	On-balance sheet exposures		
		i) Exposure to own securitisations		
		First loss	-	-
		Others	-	-
		ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation			
		(a) Sale consideration	77,289.94	42,649.74
		(b) Gain/Loss on securitisation	6,465.38	5,508.35
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.			
7	Performance of facility provided - credit enhancement			
	a)	Amount paid		
	b)	Repayment received		
	c)	Outstanding amount		
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.			
	a)	Housing loans	0.17%	0.19%
	b)	Non- housing loans	0.13%	0.15%
9	Amount and number of additional / top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.		-	-
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding		-	-

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Note 89(a). Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (₹ in Lakhs)
Securitisations		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	37,028.66	5,773.16
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	37,081.86	5,777.43
Fair value of assets	37,028.66	5,773.16
Fair value of associated liabilities	37,081.86	5,777.43
Net position at FV	(53.20)	(4.27)

Note 89(b): Disclosure relating to securitisation

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

Particulars	As at March 31, 2023	As at March 31, 2022 (₹ in Lakhs)
Total number of transactions under par structure	3	-
Total book value of assets	35,001.14	-
Sale consideration received	35,001.14	-

Note: 89(c): Disclosure relating to securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

S. No.	Particulars		As at March 31, [illegible]23	As at March 31, 2022 (₹ in Lakhs)
1	No of SPVs sponsored by the company for securitisation transactions (in No.)		5	2
2	Total amount of securitised assets as per books of the SPVs sponsored by the company		36,97[illegible]00	5,771.36
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet			
	a)	Off-balance sheet exposures		
		First loss	-	-
		Others	-	-
	b)	On-balance sheet exposures		
		First loss	4,62[illegible]22	1,298.50
		Others		-
4	Amount of exposures to securitisation transactions other than MRR			
	a)	Off-balance sheet exposures		
		i) Exposure to own securitisations		
		First loss		-
		Others		-
		ii) Exposure to third party securitisations		
		First loss		-
		Others		-
	b)	On-balance sheet exposures		
		i) Exposure to own securitisations	-	
		First loss		-
		Others		-
		ii) Exposure to third party securitisations	-	
		First loss	-	-
		Others		-

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

89(d) Disclosures to be made in notes to accounts by originators (Non-STC transactions)

(₹ in Lakhs)

S. No	Particulars		As at March 31, 2023	As at March 31, 2022
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitisation exposures to be reported here)		5	2
2	Total amount of securitised assets as per books of the SPEs		36,97[illegible]00	5,771.36
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		4,62[illegible]22	1,298.50
	a)	Off-balance sheet exposures		
		First loss		
		Others		
	b)	On-balance sheet exposures		
		First loss	4,62[illegible]22	1,298.50
		Others		
4	Amount of exposures to securitisation transactions other than MRR			
	a)	Off-balance sheet exposures		
		i) Exposure to own securitisations		
		First loss		-
		Others		-
		ii) Exposure to third party securitisations		
		First loss		-
		Others		-
	b)	On-balance sheet exposures		
		i) Exposure to own securitisations		
		First loss		-
		Others		-
		ii) Exposure to third party securitisations		
		First loss		-
		Others		-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation			-
	(a) Sale consideration		35,00[illegible]14	-
	(b) Gain/Loss on securitisation			-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.			-
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.			
	a)	Amount paid	3,32[illegible]72	-
	b)	Repayment received		-
	c)	Outstanding amount	4,62[illegible]22	1,298.50
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.			-
	a)	Housing Loan	0.[illegible]5%	0.20%
9	Amount and number of additional / top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.		-	-
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding		-	-

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SHRIRAM HOUSING FINANCE LIMITED ★ MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Disclosure as per the circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 issued by Reserve Bank of India

Note 90: Schedule to the Balance Sheet of an HFC

(₹ in lakhs)

Sr. No.	Particulars	Amount outstanding		Amount overdue	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Liabilities side				
(1)	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**				
	(a) Debentures : Secured	1,19,269.30	48,324.47	-	-
	: Unsecured	12,950.60	5,005.15	-	-
	(other than falling within the meaning of public deposits*)				
	(b) Deferred Credits		-	-	-
	(c) Term Loans	4,58,392.22	3,17,700.33	-	-
	(d) Inter-corporate loans and borrowing		-	-	-
	(e) Commercial Paper	1,912.11	-	-	-
	(f) Public Deposits*	NA	NA	-	-
	(g) Other Loans (Cash Credit, WCDL, Securatization)	37,081.86	18,637.06	-	-
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**	NA	NA		NA
	(a) In the form of Unsecured debentures	NA	NA		NA
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NA	NA		NA
	(c) Other public deposits	NA	NA		NA

(₹ in lakhs)

Sr. No.	Particulars	Amount outstanding	
		As at March 31, 2023	As at March 31, 20[illegible]
	Assets side		
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**		
	(a) Secured	6,73,364.03	4,57,[illegible]3.53
	(b) Unsecured	90.93	-
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**		
	(i) Lease assets including lease rentals under sundry debtors		
	(a) Financial lease		
	(b) Operating lease		
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire		
	(b) Repossessed Assets		
	(iii) Other loans counting towards asset financing activities		
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above		
(5)	**Break-up of Investments**		
	Current Investments		
	1. Quoted		
	(i) Shares		
	(a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds	7,504.46	-
	(iv) Government Securities		
	(v) Others (please specify)		
	– Investment in Commercial Paper	1,907.12	7,[illegible]4.64
	2. Unquoted		
	(i) Shares		
	(a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds	643.63	-
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (please specify)		
	Long Term Investments		
	1. Quoted		
	(i) Share		
	(a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities	6,766.50	-
	(v) Others		
	– Investment in Treasury Bill	-	4,[illegible]1.02
	– Investment in State Development Loan	3,042.17	5.00
	2. Unquoted		
	(i) Share		
	(a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others		
	– Pass through certificates	1,092.94	[illegible]9.74
	– Security Receipts	643.63	[illegible]9.72

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(6) **Borrower group-wise classification of assets financed as in (3) and (4) above:**

(₹ in Lakhs)

Category Amount	As at March 31, 2023 Amount net of provisions		As at March 31, 2022 Amount net of provisions		Total Amount net of provisions	
	Secured	Unsecured	Secured	Unsecured	As at March 31, 2023	As at March 31, 2022
1. Related Parties						
(a) Subsidiaries						
(b) Companies in the same group						
(c) Other related parties	403.91	-	117.66	-	403.91	117.66
2. Other than related parties	6,67,641.22	89.65	4,52,097.09	-	6,67,730.87	4,52,097.09

(7) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**

(₹ in Lakhs)

Category	As at March 31, 2023		As at March 31, 202[illegible]	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries				
(b) Companies in the same group				
(c) Other related parties				
2. Other than related parties	21,553.99	21,553.64	13,165.38	13[illegible]59.13
Total				

(8) **Other Information**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Gross Non-Performing Assets		
(a) Related parties		
(b) Other than related parties	6,243.17	7,879.68
(ii) Net Non-Performing Assets		
(a) Related parties		
(b) Other than related parties	4,655.17	6,035.96
(iii) Assets acquired in satisfaction of debt	5,968.62	8,073.19

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

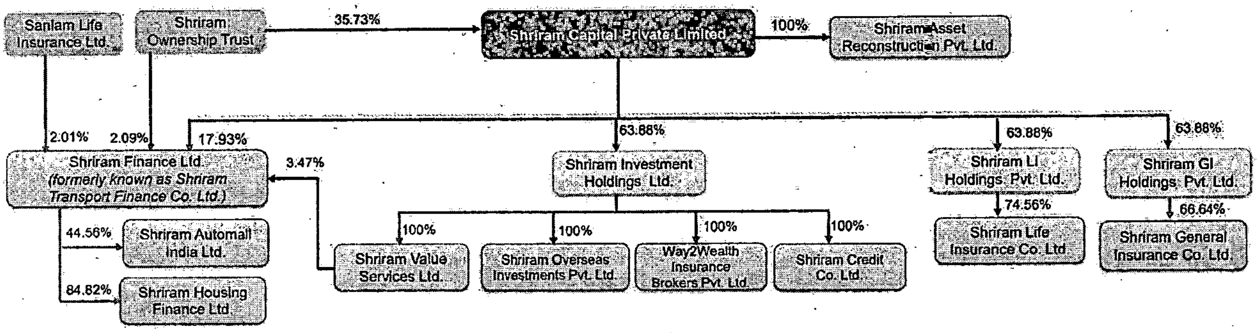
SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Disclosure as per the circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 issued by Reserve Bank of India (Continue..)

Note 91: Group Structure

Shriram Housing Finance Limited (SHFL) is Housing Finance Company registered with the National Housing Bank. Shriram Finance Ltd. is the promoter of SHFL holding 84.82% shares, 14.94% shares is held by Valiant Mauritius Partners Limited and balance is held by others.

For the ease of understanding, given below is a graphical representation of the ownership structure of the SHFL:



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Note 92(a): Disclosure on Liquidity Risk for the twelve months ended March 31, 2023 pursuant to RBI circular dated 4 November 2019 on Liquidity Risk Management Framework

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No	Number of Significant Counterparties	Amount (₹ in Lakhs)*	% of Total deposits	% of Total liabilities
1	24	5,38,366.61	NA	85.51%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits (amount in ₹ in Lakhs and % of total deposits)

Particulars	As at March 31, 2023
Total amount of top 20 large deposits	NA
Percentage of amount of top 20 large deposits to total deposits	NA

(iii) Top 10 borrowings (amount in ₹ in Lakhs and % of total borrowings)

Particulars	As at March 31, 2023
Total amount of top 10 borrowings * (₹ in Lakhs)	3,55,892.42
Percentage of amount of top 10 borrowings to total borrowings	56.53%

*Includes securitisation liabilities exposure

(iv) Funding Concentration based on significant instrument/product

Sr. No	Name of the instrument/product	Amount (₹ in Lakhs)	% of Total
1	Public Issue of Redeemable non-convertible debentures	NA	NA
2	Privately placed Redeemable non-convertible debentures	1,25,242.17	19.89%
3	Subordinate Debts	6,977.72	1.11%
4	Commercial Papers	1,912.11	0.30%
5	Term loan from banks	3,90,076.21	61.96%
6	Term loan from National Housing Bank	55,191.15	8.77%
7	Term loan from financial institutions/corporates	13,124.87	2.08%
8	Loans repayable on demand from banks (Cash credit from banks & Working capital demand Loan)	-	NA
9	Other loans - Securitisation liabilities	37,081.89	5.89%
10	Public deposits	NA	NA

(v) Stock Ratios:

	Particulars	as a % of Total public funds	as a % of Total liabilities	as a % of Total assets
1	Commercial papers	NA	0.30%	0.25%
2	Non-convertible debentures (original maturity of less than one year)	NA	-	-
3	Other short-term liabilities	NA	NA	NA

(vi) Institutional set-up for liquidity risk management

1	The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.
2	The Board has constituted the Audit and Risk Management Committee (ARMC) which is responsible for monitoring the overall risk process within the Company.
3	The (ARMC) is responsible for managing risk decisions and monitoring risk levels. The meetings of ARMC are held at quarterly
4	The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.
5	The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.
6	The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee (ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the company. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight.
7	In assessing the company's liquidity position, consideration is given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of its loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short-term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.
8	The minutes of ALCO meetings are placed before the ARMC and the Board of Directors in its next meeting for its ratification.
9	The liquidity was Rs. 1,19,113.56 lakh including sanction lines.

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*Notes:

1	Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2	Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
3	Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.
4	The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2023.

Note 92(b): Analytical Ratios

Ratio	Year ended March 31, 2023			Year ended March 31, 2022	% Variance	Reasons for Variance (If above 25%)
	Numerator (₹ in Lakhs)	Denominator(₹ in Lakhs)	Ratio(%)	Ratio(%)		
Capital to risk-weighted assets ratio (CRAR)	121,235.74	475,809.90	25.48	30.89	(5.41)	NA
Tier I CRAR	111,043.97	475,809.90	23.34	29.87	(6.53)	NA
Tier II CRAR	10,191.77	475,809.90	2.14	1.02	1.13	NA
Liquidity Coverage Ratio	11,259.26	8,589.26	131.09	76.65	54.44	NA

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 92(c): Liquidity Coverage Ratio Disclosure

Disclosure as per the circular no RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 issued by Reserve Bank of India on " Liquidity Coverage ratio (LCR) "

(₹ in Lakhs)

Sr. No	Particulars	Period ended 31st March 2023		Period ended 31st December 2022		Period ended 30th September 2022		Period ended 30th June 2022	
		Total Unweighted Value (average)	Total weighted Value (average)	Total Unweighted Value (average)	Total weighted Value (average)	Total Unweighted Value (average)	Total weighted Value (average)	Total Unweighted Value (average)	Total weighted Value (average)
High Quality Liquid Assets									
1	Cash and Bank Balance	1,489.05	1,489.05	3,416.73	3,416.73	1,004.82	1,004.82	68.69	68.69
2	Investment in Government securities	9,770.21	9,770.21	9,291.01	9,291.01	8,432.10	8,432.10	7,527.27	7,527.27
3	Total High Quality Liquid Assets (HQLA)	11,259.26	11,259.26	12,707.74	12,707.74	9,436.92	9,436.92	7,595.96	7,595.96
Cash Outflows									
4	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding	-	-	-	-	-	-	-	-
6	Secured wholesale funding	4,240.35	4,876.40	13,138.60	15,109.39	18,086.50	20,799.47	6,570.38	7,555.93
7	Additional requirements, of which								
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
8	Other contractual funding obligations	18,521.56	21,299.79	16,367.46	18,822.58	14,564.45	16,749.11	13,470.99	15,491.64
9	Other contingent funding obligations	-	-	-	-	-	-	-	-
10	Other	7,113.77	8,180.83	8,877.73	10,209.39	6,842.17	7,868.50	12,564.05	14,448.66
11	TOTAL CASH OUTFLOWS	29,875.68	34,357.02	38,383.79	44,141.36	39,493.12	45,417.08	32,605.42	37,496.23
Cash Inflows									
12	Secured lending	2,500.00	1,875.00	6,000.00	4,500.00	18,000.00	13,500.00	10,000.00	7,500.00
13	Inflows from fully performing exposures	13,269.59	9,952.19	14,821.45	11,116.09	13,696.97	10,272.73	12,104.22	9,078.16
14	Other cash inflows	34,150.40	25,612.80	16,467.20	12,350.40	13,526.43	10,144.82	29,608.31	22,206.23
15	TOTAL CASH INFLOWS	49,919.99	37,439.99	37,288.65	27,966.49	45,223.40	33,917.55	51,712.53	38,784.39
Sr. No	Particulars	Total Adjusted value Period ended 31st March 2023	Total Adjusted value Period ended 31st March 2023	Total Adjusted value Period ended 31st December 2022	Total Adjusted value Period ended 31st December 2022	Total Adjusted value Period ended 30th September 2022	Total Adjusted value Period ended 30th September 2022	Total Adjusted value Period ended 30th June 2022	Total Adjusted value Period ended 30th June 2022
16	TOTAL HQLA	11,259.26	11,259.26	12,707.75	12,707.75	9,436.92	9,436.92	7,595.96	7,595.96
17	TOTAL NET CASH OUTFLOWS	8,589.26	8,589.26	16,174.87	16,174.87	11,499.53	11,499.53	9,374.06	9,374.06
18	LIQUIDITY COVERAGE RATIO (%)	131.09%	131.09%	78.56%	78.56%	82.06%	82.06%	81.03%	81.03%

SHRIRAM HOUSING FINANCE LIMITED
MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 93: The Company has 131 branches (March 31, 2022: 103 branches). The list of branches is given below.

SR. No	State	Name of Branch
1	Andhra Pradesh	Cuddapah
2	Andhra Pradesh	Guntur
3	Andhra Pradesh	Kakinada
4	Andhra Pradesh	Kurnool
5	Andhra Pradesh	Nellore
6	Andhra Pradesh	Rajahmundry
7	Andhra Pradesh	Thirupathi
8	Andhra Pradesh	Vijayawada
9	Andhra Pradesh	Visakhapatnam
10	Chattisgarh	Bilaspur
11	Chattisgarh	Raipur
12	Delhi	Delhi
13	Gujarat	Ahmedabad
14	Gujarat	Ahmedabad - Mani Nagar
15	Gujarat	Bharuch
16	Gujarat	Bhavnagar
17	Gujarat	Jamnagar
18	Gujarat	Jetpur
19	Gujarat	Mehsana
20	Gujarat	Morbi
21	Gujarat	Palanpur
22	Gujarat	Rajkot
23	Gujarat	Rajkot - Amin Marg
24	Gujarat	Surat
25	Gujarat	Vadodara
26	Gujarat	Vadodara -Alkapuri
27	Gujarat	Vapi
28	Gujarat	Veraval
29	Haryana	Ambala
30	Haryana	Karnal
31	Haryana	Kurukshetra
32	Haryana	Panipat
33	Karnataka	Bagalkot
34	Karnataka	Bangalore Jayanagar
35	Karnataka	Bangalore Whitefield
36	Karnataka	Belgavi
37	Karnataka	Bengaluru Rajajinagar
38	Karnataka	Chitradurga
39	Karnataka	Davangere
40	Karnataka	Hassan
41	Karnataka	Hospet
42	Karnataka	Hubli
43	Karnataka	Kalburgi
44	Karnataka	Mandya
45	Karnataka	Mangalore
46	Karnataka	Mysore
47	Karnataka	Nanjangudu
48	Karnataka	Shimoga
49	Karnataka	Tumkur
50	Kerala	Ernakulam
51	Kerala	Thrissur
52	Madhya Pradesh	Bhopal
53	Madhya Pradesh	Gwalior
54	Madhya Pradesh	Indore
55	Madhya Pradesh	Jabalpur
56	Madhya Pradesh	Mandsaur

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57	Madhya Pradesh	Ratlam
58	Madhya Pradesh	Ujjain
59	Maharashtra	Ahmednagar
60	Maharashtra	Amaravati
61	Maharashtra	Aurangabad
62	Maharashtra	Badlapur
63	Maharashtra	Kolhapur
64	Maharashtra	Mumbai
65	Maharashtra	Nagpur
66	Maharashtra	Nasik
67	Maharashtra	Navi Mumbai
68	Maharashtra	Pimpri
69	Maharashtra	Pune
70	Maharashtra	Satara
71	Maharashtra	Solapur
72	Maharashtra	Thane
73	Maharashtra	Vasai (W), Palghar
74	Pondicherry/ Puducherry	Pondicehrry/ Puducherry
75	Punjab	Jalandhar
76	Punjab	Ludhiana
77	Punjab	Mohali (Chandigarh)
78	Rajasthan	Ajmer
79	Rajasthan	Alwar
80	Rajasthan	Bhilwara
81	Rajasthan	Bhiwadi
82	Rajasthan	Bikaner
83	Rajasthan	Jaipur
84	Rajasthan	Jhunjhunu
85	Rajasthan	Jodhpur
86	Rajasthan	Kota
87	Rajasthan	Sanganer
88	Rajasthan	Sikar
89	Rajasthan	Sirohi
90	Rajasthan	Udaipur
91	Tamil Nadu	Chengalpet
92	Tamil Nadu	Chennai
93	Tamil Nadu	Coimbatore
94	Tamil Nadu	Dindigul
95	Tamil Nadu	Erode
96	Tamil Nadu	Hossur
97	Tamil Nadu	Kanchipuram
98	Tamil Nadu	Karaikudi
99	Tamil Nadu	Karur
100	Tamil Nadu	Krishnagiri
101	Tamil Nadu	Kumbakonam
102	Tamil Nadu	Madurai
103	Tamil Nadu	Nagercoil
104	Tamil Nadu	Namakkal
105	Tamil Nadu	Pudukkottai
106	Tamil Nadu	Salem
107	Tamil Nadu	Thanjavur
108	Tamil Nadu	Theni
109	Tamil Nadu	Thiruchirapalli
110	Tamil Nadu	Thiruvannamalai
111	Tamil Nadu	Tirunelveli
112	Tamil Nadu	Tiruppur
113	Tamil Nadu	Tiruvallur
114	Tamil Nadu	Tuticorin
115	Tamil Nadu	Udumalaipet
116	Tamil Nadu	Vellore
117	Telengana	Himmayath Nagar
118	Telengana	Jagityal
119	Telengana	Karimnagar
120	Telengana	Khammam
121	Telengana	Mahabubnagar
122	Telengana	Nizamabad
123	Telengana	Siddipet
124	Telengana	Wanaparthy
125	Telengana	Warangal
126	Uttar Pradesh	Agra
127	Uttar Pradesh	Lucknow
128	Uttar Pradesh	Meerut
129	Uttarakhand	Dehradun
130	West Bengal	Kolkata
131	West Bengal	Siliguri

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Mumbai

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Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 94: Changes in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	As at March 31, 2022	Net Cash Flows	Exchange difference	Other *	As at March 31, 2023
At Amortised Cost					
Debt Securities					
-NCD Public Issue	-	-	-	-	-
-NCD Retail	-	-	-	-	
-NCD Institutional	53,329.62	70,575.00	-	1,337.55	125,242.17
- Commercial paper	-	1,846.29	-	65.81	1,912.10
Subordinated Debts					
- Sub Debt Retail	-	-	-	-	-
- Sub Debt Institutional	-	7,000.00	-	(22.28)	6,977.72
Borrowings other than debt securities					
- Term Loan from Banks	255,791.19	134,725.33	58.79	(499.11)	390,076.20
- Term Loan from National Housing Bank	55,463.27	(272.12)	-	-	55,191.15
- Term Loan from Institution	6,451.36	6,641.56	-	31.95	13,124.87
- Cash Credit form Banks	11,358.96	(11,358.96)	-	-	0.00
- Working Capital Demand Loans	1,500.67	(1,500.00)	-	(0.67)	-
- Term Loan from Bank- Securitisation	5,777.43	31,198.64		105.80	37,081.87
- Term Loan from financial Institution/ NBFC- Securitisation	-	-	-	-	-
Lease liabilities	1,470.36	(761.63)		3,152.83	3,861.56
Deposits					
-Public Deposits	NA	NA	NA	NA	NA
Total	**391,142.86**	**238,094.11**	**58.79**	**4,171.88**	**633,467.64**

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

Changes in liabilities arising from financing activities during 2021-22

(₹ in Lakhs)

Particulars	As at March 31, 2021	Net Cash Flows	Exchange difference	Other *	As at March 31, 2022
At Amortised Cost					
Debt Securities					
-NCD Public Issue	-	-	-	-	-
-NCD Retail	-	-	-	-	-
-NCD Institutional	57,889.82	(4,500.00)		(60.20)	53,329.62
- Commercial paper	-	-	-	-	-
Subordinated Debts					
- Sub Debt Retail	-	-	-	-	-
- Sub Debt Institutional	-	-	-	-	-
Borrowings other than debt securities			-		
- Term Loan from Banks	223,308.91	32,429.68	115.14	(62.54)	255,791.19
- Term Loan from National Housing Bank	8,981.52	46,481.75	-	-	55,463.27
- Term Loan from Institution	14,505.33	(8,062.61)	-	8.64	6,451.36
- Commercial paper	-				-
- Cash Credit form Banks	985.94	10,371.90	-	1.12	11,358.96
- Working Capital Demand Loans	4,999.13	(3,500.00)	-	1.54	1,500.67
- Term Loan from Bank- Securitisation	7,412.99	(1,658.70)	-	23.14	5,777.43
- Term Loan from financial Institution/ NBFC- Securitisation	-	-	-	-	-
Lease liabilities	1,006.12	(577.29)		1,041.53	1,470.36
Deposits					
-Public Deposits	NA	NA	NA	NA	NA
Total	**319,089.76**	**70,984.73**	**115.14**	**953.23**	**391,142.86**

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

Note 95 Details of stressed loans transferred/acquired during the year (to be made separately for loans classified as NPA and SMA)

(i) The Company has not acquired any stressed loans during the year ended March 31, 2023. (March 31, 2022: Nil)

(ii) Details of stressed loans transferred during the year

Sr. No	Particulars	March 31, 2023				March 31, 2022			
		To Asset reconstruction companies (ARC)		To Permitted transferees		To Asset reconstruction companies (ARC)		To Permitted transferees	
		NPA	SMA	NPA	SMA	NPA	SMA	NPA	SMA
(i)	Number of Accounts	142	-	-	-	-	-	-	-
(ii)	Aggregate principal outstanding of loans transferred (In Lakhs)	1,912.49	-	-	-	-	-	-	-
(iii)	Weighted average residual tenor of the loans transferred (Years)	11.84	-	-	-	-	-	-	-
(iv)	Net book value of loans transferred (at the time of transfer) (In Lakhs)	1,682.48	-	-	-	-	-	-	-
(v)	Aggregate consideration (In Lakhs)	1,375.00	-	-	-	-	-	-	-
(vi)	Additional consideration realized in respect of accounts transferred in earlier years (In Lakhs)	-	-	-	-	-	-	-	-

Note 96 Change in policy for impairment of financial instruments

There is a change in policy for impairment of financial instruments during the financial year (Refer 3.14: Impairment of financial assets of significant accounting policy)

Note 97 Segment reporting

The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc., of houses/ flats to individuals and corporate bodies and has its operations within India. There being only one 'business segment' and 'geographical segment', hence the segment information is not provided.

Note 98 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2023 and March 31, 2022. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

Note 99 Utilisation of borrowed funds and share premium

The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept from its customers, other entities and persons. These transactions are part of Company's normal housing finance business, which is conducted ensuring adherence to all regulatory requirements.
Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate beneficiaries). The Company has also not received any fund from any parties (Funding party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Note 100 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

Note 101 Undisclosed income

There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

Note 102 Title deeds of immovable properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company during the financial year ended March 31, 2023 and March 31, 2022.

Note 103 Details of crypto currency or virtual currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023 and March 31, 2022.

Note 104 Details of benami property held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.

Note 105 Wilful defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial year ended March 31, 2023 and March 31, 2022.

Note 106 Relationship with struck off companies

The Company has not been undertaken any transactions with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2023 and March 31, 2022.

Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the period ended March 31, 2023

Note 107 : The figures of previous year have been rearranged/ regrouped to conform to the current year.

In terms of our report attached
For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No: 006711N/N500028

Pramod Tilwani
Partner
Membership No:076650.

Place: Mumbai
Date: 24th April, 2023

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Puja R Shah
Company Secretary

Place: Mumbai
Date: 24th April, 2023