



FORM A
Format of covering letter of the annual audit report to be filed with the stock exchanges

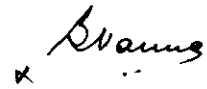
1.	Name of the Company:	Shriram City Union Finance Limited
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	None
5.	To be signed by-	

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


R Duruvasan
 CEO and Managing Director


Subhasri Sriram
 Chief Financial Officer


Ramendra Nath Das
 Partner
 Membership No. 014125


Sunil Varma
 Audit Committee Chairman

30 APR 2014

Shriram City Union Finance Limited

Business Solution Centre, 144, Santhome High Road, Mylapore, Chennai - 600 004. Ph: +91 44 4392 5300, Fax: +91 44 4392 5430
 Regd. Office: 123, Angappa Naicken Street, Chennai - 600 001. Ph : +91 44 2534 1431
 E-mail : shriramcity@shriramcity.in Website : www.shriramcity.in
 Corporate Identification Number (CIN) L65191TN1986PLC012840



SHRIRAM *City*

MONEY WHEN YOU NEED IT MOST



India's leading Small Business Finance Company

28th Annual Report



CONTENTS

02. Corporate Information

04. Milestones & Mission

06. Values

08. Products

10. Presence

14. Performance

16. Director's Profiles

18. Director's Report

25. Annexure to the Directors' Report

27. Management Discussion and Analysis

29. Report on Corporate Governance

53. Auditor's Report

55. Annexure to the Auditor's Report

57. Financial Statements (Standalone)

100. Auditor's Report (Consolidated)

101. Financial Statements (Consolidated)

Forward Looking Statement

In this annual report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



Board Of Directors

Sri Arun Duggal Chairman, Non Executive, Non Independent

Sri Duruvasan Ramachandra - Managing Director, Executive, Non Independent

Sri Gopalasamudram Srinivasaraghavan Sundararajan - Managing Director, Executive, Non Independent

Sri Subramaniam Krishnamurthy Director, Non Executive, Independent

Smt. Lakshmi Pranesh Director, Non Executive, Independent

Sri Venkataraman Murali Director, Non Executive, Independent

Sri Puneet Bhatia Director, Non Executive, Non Independent

Sri Pranab Prakash Pattanayak Director, Non Executive, Independent

Sri Ranvir Dewan Director, Non Executive, Non Independent

Sri Sunil Varma Director, Non Executive, Independent

Sri Vipen Kapur Director, Non Executive, Independent

Corporate Information

COMPANY SECRETARY:

Sri C R Dash

AUDITORS :

Pijush Gupta & Co.
Chartered Accountants
P-199, C.I.T. Road, Scheme IV - M
Kolkata - 700 010

SHARE TRANSFER AGENTS:

Integrated Enterprises (India) Limited
2nd Floor, Kences Towers,
No. 1, Ramakrishnan Street
Off North Usman Road, T. Nagar
Chennai - 600 017
Ph : +91 44 2814 0801 - 2814 0803

REGISTERED OFFICE :

123, Angappa Naicken Street
Chennai - 600 001
Ph : +91 44 2534 1431

SECRETARIAL OFFICE :

144, Santhome High Road
Mylapore, Chennai - 600 004
Ph : +91 44 4392 5300
Fax: +91 44 4392 5430

ADMINISTRATIVE OFFICE :

No. 221, Royapettah High Road
Mylapore, Chennai - 600 004
Ph : +91 44 4391 5300
Fax : +91 44 4391 5351

LISTED AT :

BSE Limited
National Stock Exchange of
India Ltd.
Madras Stock Exchange Ltd.

BANKS :

Allahabad Bank
Andhra Bank
Axis Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
City Union Bank
Corporation Bank
DBS Bank
Dena Bank
Federal Bank
HDFC Bank
ICICI Bank
IDBI Bank
Indian Bank
Indian Overseas Bank

Indusind Bank

ING Vysya Bank

Jammu & Kashmir Bank

Karur Vysya Bank

Kotak Mahindra Bank

Oriental Bank of Commerce

Punjab National Bank

State Bank of India

State Bank of Mauritius

State Bank of Mysore

State Bank of Patiala

State Bank of Travancore

Syndicate Bank

Tamilnad Mercantile Bank

The South Indian Bank

UCO Bank

Union Bank of India

United Bank of India

Vijaya Bank

Woori Bank

INSTITUTIONS :

Small Industries Develop-
ment Bank of India Limited
(SIDBI)

M I L E S T O N E S

2013 Social Audit Report generated on Shriram City's business. Rated by Frost & Sullivan as India's largest Small Enterprise Finance in the Small Loans segment.

2011 Celebrates Silver Jubilee. Floats maiden debt public offering of listed NCDs. Sees Private Equity participation in housing finance subsidiary.

2010 Net Worth reaches Rs. 1000 Crore. Launches housing finance subsidiary – Shriram Housing Finance Ltd.

2008 2nd Preferential Allotment to Private Equity investors @ Rs. 400/- per equity share.

2007 Introduces Loans against Gold.

2006 Launches Small Enterprise Finance. 1st Preferential Allotment to Private Equity investors @ Rs. 160/- per equity share.

2005 Listed on National Stock Exchange. Begins Retail Financing foray.

2003 Listed on Bombay Stock Exchange

1986 Shriram City established

M I S S I O N

To serve the largest number of common people and, in the process, build an exemplary organization engaged in the timely delivery of financial services.

SHRIRAM CITY'S MISSION IS TO PROVIDE FINANCIAL SOLUTIONS TO INDIVIDUALS RUNNING SMALL BUSINESSES WHO HAVE LESS ACCESS TO ORGANIZED CREDIT. BY OFFERING VARIOUS FINANCIAL PRODUCTS UNDER THE TWO BROAD CATEGORIES - BUSINESS PURPOSE LOANS AND CONSUMER LOANS, SHRIRAM CITY CATERS TO THE FINANCIAL NEEDS OF THIS SEGMENT (BOTH CREDIT & SAVINGS) TO IMPROVE THEIR BUSINESSES SUSTENANCE AND PERSONAL NEEDS.

Being Trustworthy:

The Shriram City brand is today among the most trusted in India.

Being Responsive:

Our reputation has been built on the timely dissemination of affordably-priced financial services to customers and locations most in need.

Being Creative:

Shriram City has consistently and successfully ventured into creative products and services.

Building Relationships

For us, business does not start and end with extending loans – we build long-term relationships with our customers. Our business model is customer-centric and driven by the needs of the community.

Bolstering the spirit of Entrepreneurship

We help small business owners think big and thereby move up the value chain. We also strive to empower our workforce at all levels to think like entrepreneurs

A woman with dark hair, wearing a white top, is smiling and holding a large green plant with variegated leaves. She is standing in a greenhouse with rows of similar plants stretching into the distance. The background shows the structural framework of the greenhouse.

**SHRIRAM CITY IS A
DEPOSIT-ACCEPTING
NON-BANKING
FINANCIAL COMPANY
(NBFC) REGISTERED
WITH RBI.**



TO BE A VALUE
CREATING AND
THE PREFERRED
FINANCING PARTNER
OF SOCIETY

P R O D U C T S

ENTERPRISE FINANCE:

Financial assistance to small businesses forms the mainstay of our business. Shriram City is among the largest providers of Small Enterprise Finance in the country. We have helped traders, grocers, hoteliers, small engineering unit owners and other SMEs prosper and move up the value chain.

LOANS AGAINST GOLD:

Spot loans against gold jewelry are offered at affordable rates. All our Gold loan dispensing outlets possess trained appraisers and gold storage facilities with the highest security

TWO WHEELER LOANS:

Quick processing and attractive pricing are features of Shriram City's two wheeler financing business. We offer a wide-ranging presence in dealer showrooms across the nation, and offer tailor-made loan solutions for a spectrum of vehicle brands.

AUTO FINANCE:

Loans are offered at convenient terms for new and pre-owned three wheelers and for pre-owned four wheelers (both passenger and commercial vehicles).

PERSONAL FINANCE AND CONSUMER DURABLE LOANS:

Loans for personal consumption are available for customers who have a credit history with our company. Shriram City also provides finance for acquiring White Goods.

HOUSING FINANCE:

Our housing finance subsidiary offers affordable home loans to self-employed customers and those from the middle- and lower middle classes in Tier II and Tier III cities and towns across India.

PRESENCE: Business Outlets

Over the last 27 years Shriram City Union Finance has established a pan-India presence, with 980 branches across INDIA as of March 31, 2014.

A	ARANI III	BEEMA NAGAR	CHANDIGARH	DAVANGERE CHITS
ABOHAR	ARANTHANGI	BELGAUM	CHANDRAGIRI	DEHRADUN LUDCD
ADDANKI	ARAPALAYAM	BELLAMPALLY	CHANDRAPUR	DEORIA LUD
ADILABAD	ARIYALUR	BELLARY	CHANNAPATNA	DEVAKOTTAI
ADONI	ARIYALUR I	BEMETARA KAWARDHA	CHANNARAYAPATNA	DEVARAKONDA
ADUTHURAI	ARMOOR	BESANT NAGAR	CHATTARPUR CD	DEWAS CD
ADYAR I	ARUMBAKKAM	BETHANIAPURAM	CHEEPURUPALLI GOLD BR	DHARAPURAM
ADYAR II	ARUPPUKOTTAI II	BETHEMCHERLA	CHENGALPET	DHARMAPURI
AGRA LUDCD	ASHOK NAGAR	BHADRACHALAM	CHERIAL	DHARMAPURI II
AHMEDABAD CD	ASHWARAOPEETA	BHAINSA	CHERUKUPALLE	DHARMAVARAM
AHMEDABAD EF WCD	ATCHUTHAPURAM	BHANDARA AMH	CHEVAPETTAI	DHARWAD I
AHMEDNAGAR CHIT CD H	ATMAKUR	BHARUCH CD	CHICKBALLAPUR	DHAVALSWARAM
AJMER LUDCD	ATMAKUR	BHATHINDA	CHIDAMBARAM	DHONE
AKIVEDU	ATTAPUR	BHAVANI	CHIDAMBARAM II	DHULE AMH
AKOLA	ATTUR II	BHAVNAGAR CD	CHIKKADPALLY	DILSHAD GARDEN
ALANDUR	ATTINGAL CD	BHEEMGAL	CHIKMAGALUR CHIT	DILSUKH NAGAR
ALER	ATTUR I	BHILAI CD	CHILAKALURIPET	DINDIGUL I
ALIGARH	AURANGABAD	BHILWARA EF WCD	CHILAKALURIPETA II	DINDUGAL
ALLAHABAD LUDCD	AURANGABAD CHIT CD H	BHILWARA LUDCD	CHIMAKURTHY	DODDABALLAPUR
ALUVA	AVADI	BHIMAVARAM	CHINAWALTAIR	DWARAKA NAGAR
ALWAL	AVANIGADDA	BHIWANI HARAYANA WCD	CHINNA BAZAAR	E
ALWAR LUDCD	AVINASI	BHONGIR	CHINTALAPUDI	EAST DELHI BRANCH
ALWARTHIRUNAGAR	AYANAVARAM	BHOPAL CD	CHINTHAMANI	EFIZC
AMALAPURAM	AYYAPNTHANGAL	BHUPALAPALLE	CHIPLUN AMH	ELURU I
AMARAVATHI II	AZAMGARH WCD	BHUSAWALJALGAON WCD	CHIRALA	ELURU III
AMARAVATI	B	BIDAR	CHITTOOR I	ERNAKULAM
AMBALA LUDCD	B KOTHAKOTA	BLJAPUR I	CHITRADURGA	ERODE
AMBASAMUDRAM	BADVEL	BIKANER LUDCD	CHITTORGARH WCD	ERODE II
AMBATTUR	BAGALKOT	BILASPUR CD	CHITWEL	ERODE III
AMBATTUR II	BALANAGAR	BOBBILI	CHOKKIKULAM	ETAWA LUDCD
AMBEDKAR NAGAR LUD	BALAPUR	BODHAN	CHOLAVANTHAN	F
AMBUR	BALOTRA	BODINAikanur	CHOMU JAIPUR WCD	FAIZABAD
AMBUR II	BANAGANEPALLI	BODUPPAL	CHOODAVARAM	FARIDABAD
AMEERPET	BANASWADA GOLD BR	BORIVALI WCD	CHOUTAPPAL	FATEHPUR LUD
AMRELI JUNAGADH WCD	BANDRA WCD	BRAMHAPURI CHANDRAPUR WCD	CHROME PET	FEROZPUR LUDCD
AMRITSAR	BANGALORE NONCHIT	BUCHIREDDYPALEM	COIMBATORE II	FIVE ROADS
AMUDALAVALASA	BANGARUPALYAM	BUDAUN LUDCD	COIMBATORE I	G
ANAKAPALLI	BAPATLA	BULDHANA WCD	CUDDALORE	GADAG I
ANAND BRANCH CD	BARABANKI LUDCD	C	CUDDALORE II	GADHINGLAJ KOLHAPUR WCD
ANANTHAPUR II	BARAMATI AMH	CALICUT	CUDDAPAH	GADWAL
ANANTHPUR I	BAREILLY LUDCD	CHAKAN WCD	CUDDAPAH II	GAJAPATHI NAGARAM
ANDIPATTY	BARODA CD	CHALISGAON JALGAON WCD	CUMBUM I	GAJUWAKKA
ANGAMALY	BASHEERBAGH	CHALLAPALLI	CUMBUM II	GAJWEL
ANNA NAGAR I	BASMATHNAGAR PARBHANI WCD	CHAMARAJ NAGAR	D	GANAPAVARAM
ANNA NAGAR III	BATLAGUNDU I	CHAMPAPET	DADAR CHIT CD HP	GANDHI BAZAR
ARAKONAM	BEED AURANGABAD WCD	CHANDANAGAR	DARSI	
ARANI			DAUSA LUDCD	

GANDHI NAGAR
GANDHI PURAM
GANGAVATHI
GANNAVARAM
GEORGE TOWN
GHANPUR
GHATKESAR
GHAZIABAD
GIDDALURU
GINGEE I
GINGEE
GOBICHETTIPALLAYAM
GOBICHETTIPALLAYAM II
GODAVARIKHANI
GOLIBAR SQUARE WCD
GONDIA AMH
GOOTY
GOPALPATNAM
GORAKHPUR LUDCD
GOREGAON CHIT CD HP
GOWRIBIDANUR
GUDIVADA
GUDIYATHAM
GUDIYATHAM II
GUDUR
GUDUVANCHERY
GUGAI
GULBARGA
GUMMIDIPOONDI
GUNA CD
GUNA ASHOKNAGAR
GUNTAKAL
GUNTUR I
GUNTUR II
GURAJALA
GURGAON BRANCH
GWALIOR CD

H

HABSIGUDA
HALDWANI
HALIYA
HAMIRPUR LUDCD
HANUMAN JUNCTION
HANUMANGARH
HANUMKONDA
HARDOI LUD
HARIDWAR DEHRADUN
HASSAN CHITS
HAVERI
HIMAYAT NAGAR
HIMMATNAGAR CD
HINDUPUR

HINGANGHAT WARDHA WCD
HINGNA ROAD WCD
HINGOLI PARBHANI WCD
HISAR LUDCD
HOSHIARPUR
HOSPET
HOSUR
HOSUR II
HUBLI
HUBLI EF
HUMANABAD
HUSNABAD
HUZURABAD
HUZURNAGAR

I

IBRAHIMPATNAM
IBRAHIMPATNAM HYD
ICHALKARANJI KOLHAPUR WCD
IEEJA GOLD BRANCH
ILLUPPUR
INDIRA NAGAR
INDORE CD
INKOLLU

J

JABALPUR CD
JABALPUR EF WCD
JADCHERLA
JAGGAHPET
JAGITYAL
JAIHINDPURAM
JAIPUR EF
JAIPUR II WCD
JAIPUR III WCD
JAIPUR LUDCD
JAISELMER LUD
JALGAON
JALLANDHAR
JALNA
JAMKHANDI
JAMMALAMADUGU
JAMMIKUNTA
JAMMU LUDCD
JAMNAGAR CD
JAMSHEDPUR EF WCD
JANAGAON
JANGAREDDY GUDAM
JAUNPUR LUD
JAYANAGAR
JAYANKONDAM
JAYANKONDAM I

JETPUR WCD
JEYAKONDAM II
JHANSI LUDCD
JODHPUR LUDCD
JODHPUR WCD
JOGIPET

K

K K NAGAR
K K NAGAR II
K PUDUR II
KADAPA IV
KADIRI
KAIKALURU
KAITHAL
KAKINADA I
KALAVASAL
KALAYAR KOIL
KALIKIRI
KALLAKURICHI
KALLAKURICHI II
KALLURU II
KALPAKKAM
KALPAKKAM II
KALYANDURG
KALYANI NAGAR WCD
KAMAREDDY
KANAKAPURA
KANCHEEPURAM
KANCHIKACHARLA
KANCHIPURAM II
KANDUKURU
KANGARA
KANGEYAM
KANIGIRI
KANKER CD
KANKIPADU
KANNUR
KANPUR LUDCD
KARAD
KARAICAL
KARAICAL II
KARAIKUDI
KARAIKUDI I
KARAMBAKUDI
KARIMNAGAR I
KARIMNAGAR II
KARKALA
KARNAL LUDCD
KARUR
KARUR II
KARWAR
KASHIPUR WCD

KATNI CD
KATOL WCD
KATTUMANAR KOIL
KATTUR
KAVALI
KAVERIPATTINAM
KAYAMKULAM CD
KAZIPET
KAZIPET
KEELKATTALAI
KEERANUR
KELAMBAKKAM
KENGERI
KHAAMBHALIYA JAMNAGAR
KHAMGAON AMH
KHAMMAM I
KHAMMAM II
KHAMMAM III
KHARGHAR PANVEL WCD
KHARKHANA
KODADA
KOLAR
KOLATHUR
KOLHAPUR CHIT CD HP
KOLHAPUR NON CHIT WCD
KOLKATA CD
KONDAGAON JAGDALPUR
KOOTHANALLUR I
KOPPAL
KORATIPADU
KORBA CD
KORUTLA
KOTA
KOTA LUDCD
KOTHAGUEDEM
KOTHAVALASA
KOTTAKUPPAM
KOTTAYAM BRANCH
KOVILPATTI
KOVILPATTI II
KOYYALA GUEDEM
KRISHNAGIRI
KRISHNAGIRI I
KRPET
KUDAL RATNAGARI WCD
KUKATPALLI
KUMARAPALAYAM
KUMBAKONAM
KUMBAKONAM II
KUNIGAL
KUNTRATHUR
KUPPAM

KURNOOL I
KURNOOL II
KURNOOL III
KURUKSHETRA LUDCD
KUSHAIGUDA
KUTTALAM

L

L B NAGAR
LAKADIKAPOOL
LAKHIMPUR KHERI LUD
LATUR I AMH
LAXMI NAGAR
LINGSUR HP
LUCKNOW LUDCD
LUDHIANA
LUDHIANA II

M

MVP COLONY
MACHERLA
MACHILIPATNAM
MADANAPALLE
MADGAON
MADHAVARAM
MADHIRA
MADHURANTHANGAM
MADHURAWADA
MADIKERI BRANCH
MADIPAKKAM
MADURAI ANNA NAGAR
MADURAI II
MADURAI MAIN
MADURAI I
MAHABOOBABAD
MAHABOOBNAGAR
MAHABOOBNAGAR II
MAHARANIPETA CHIT
MAHASAMUND CD
MALEGAON NASIK WCD
MALIKIPURAM
MALKAJGIRI
MALLAPUR
MALLESWARAM
MANALI
MANAMADURAI
MANAPPARAI
MANCHERIAL
MANDAPETA
MANDI LUDCD
MANDYA
MANENDRAGARH CD
MANGALAGIRI

MANGALORE CHIT I
MANJERI BRANCH
MANNARGUDI
MANNARGUDI II
MANTHANI
MANUGURU
MARKAPUR
MARREDPALLY
MARRIPEDA
MARTURU
MATHIKERE
MATHURA LUDCD
MEDAK
MEERUT
MEHDIPATNAM
MEHSANA CD
MELUR
METPALLY
METTUPALAYAM
METTUR
MIRYALAGUDA II
MIRYALGUDA
MIRZAPUR LUD
MIYAPUR
MMDA COLONY
MOGA
MOHALI WCD
MOODABIDRI CHIT
MORBI WCD
MOTHKUR
MOUNT ROAD
MOUNT ROAD II
MRING
MULUGU
MUMMIDIVARAM
MURADABAD LUDCD
MUSIRI
MUSTAFA NAGAR
MUTHUPET II
MYDUKUR
MYLADUTHURAI II
MYLAPORE
MYLAPORE III
MYLAVARAM
N
NAGAPATTINAM
NAGAPATTINAM II
NAGARAM
NAGARI I
NAGARKURNOOL GOLD BR

NAGAYALANKA
NAGERKOIL I
NAGOLE
NAGORE
NAGPUR
NAGPUR RAMNAGAR
NAIDUPET
NAKREKAL
NALGONDA
NALGONDA II
NAMAKKAL
NAMAKKAL I
NANDALUR
NANDED AMH
NANDED II
NANDIGAMA
NANGANALLUR
NANILAM
NARASANNAPET
NARASAPUR
NARASAPUR MEDAK
NARASARAOPET
NARAYANAGUDA
NARAYANAPET
NARSAMPET
NARSIPATNAM CHIT
NASHIK ROAD WCD
NASIK CHIT CD HP
NASIK NON CHIT
NAVSARI CD
NEEDAMANGALAM
NEELAKUNDA PALLE
NEELANKARAI
NELLORE I
NELLORE II
NELLORE III
NERUL AMH
NESAPAKKAM
NEYVELI I
NEYVELI IV
NIDADAVOLE
NIRMAL
NIZAMABAD I
NIZAMABAD II
NIZAMABAD III
NIZAMPET
NUZVID
O
ODDANCHATHIRAM
OMALUR

ONGOLE
ONGOLE II
OSMANABAD SHOLAPUR WCD
P
P N PUDUR
PADI
PAITHAN AURANGABAD WCD
PAKALA
PALAKARAI
PALAKOL
PALAKONDA
PALAKURTHY
PALAMANER
PALANI
PALASA
PALAYAMKOTTAI
PALGHAT
PALI WCD
PALLADUM
PALLIKARANAI
PALLIPALAYAM
PALVANCHI
PALWAL WCD
PAMARRU
PAMIDI
PAMMAL
PANDHARPUR SHOLAPUR WCD
PANIPAT KARNAL LUDCD
PANJIM AMH
PANRUTI
PANRUTI II
PANVEL I AMH
PAONTA SAHIB DEHRADU
PAPANASAM
PARAMAKUDI
PARAMAKUDI I
PARAMATHIVELUR
PARATWADA AMRAVATI WCD
PARBHANI AMH
PARCHURU
PARIGI
PARKAL
PARVATHIPURAM
PATAN MEHSANA
PATHANKOT
PATHAPATNAM GOLD BR
PATTIYALA

PATNA WCD
PATNAM BAZAAR
PATTUKOTTAI
PATTUKOTTAI I
PEDANANDIPADU
PEDDAPALLY GOLD BR
PEDDAPURAM
PENDURTHI
PENUGONDA
PENUGONDA II
PERALAM
PERAMBALUR
PERAMBUR
PERAVURANI
PERIYANAICKANPALAYAM
PERUNDURAI
PERUNGUDI
PHIRANGIPURAM
PIDUGURALLA
PILER
PILIBHIT WCD
PIMPRI CHIT CD HP
PITAMPURA
POCHAMPALLE
POLLACHI
PONDICHERRY II
PONDYCHERRY
PONDYCHERRY I
PONNERI
PONNUR
POONAMALLEE
PORUMAMILLA
PORUR
PORUR II
PRATAPGARH LUD
PRODDATUR I
PUDUKOTTAI
PUDUKOTTAI I
PUDUKOTTAI II
PULIVENDULA
PULIYAMPATTI
PUNE CHIT CD HP
PUNE DECCAN
PUNGANUR
PURASAWAKKAM
PUSAD YAVATMAL WCD
PUTTUR
PUTTUR CHIT BRANCH
Q
QUILON

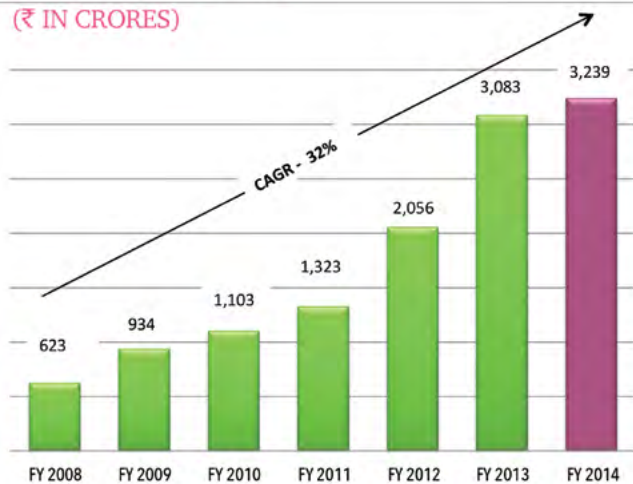
R
R.S.PURAM
RAIBAREILLY WCD
RAICHUR
RAIGARH CD
RAILWAY KODURU
RAIPUR CD
RAJAHAMUNDRY I
RAJAHMUNDRY
RAJAHMUNDRY II
RAJAHMUNDRY II
RAJAJI NAGAR
RAJAM
RAJAMPETA
RAJAPALAYAM
RAJAPALAYAM II
RAJKOT CD
RAJSAMAND LUD
RAJURA CHANDRAPUR WCD
RAMACHANDRAPURAM
RAMANATHAPURAM
RAMANATHAPURAM II
RAMNAD
RAMTEK NAGPUR WCD
RANASTHALAM
RANIPET
RANIPET II
RASIPURAM
RASIPURAM I
RATLAM CD
RATNAGIRI
RAVULAPALEM CHIT
RAYACHOTI
RAYADURGAM
RAYAGADA
RAZOLE
RED HILLS
RENIGUNTA
REPALLE
REWARI LUD
ROHTAK HISAR
RORKEE LUDCD
RORKEE RUHRPUR LUD
S
S.B.COLONY
SADASIVAPETA
SAGAR CD
SAGAR CHIT
SAHARANPUR LUDCD

SAKARDHARA SQUARE WCD	SINGARAYAKONDA	THIRUKAZHUKUNDRAM	UDUMALAIPET	VIRUDHUNAGAR
SALEM II	SIRCILLA	THIRUKOVILUR	UDUPI	VIRUDHUNAGAR I
SALEM III	SIRKAZHI	THIRUNAGAR	UJJAIN CD	VIRUGAMBAKKAM
SALEM IV	SIRPURKAGAZNAGAR	THIRUNINDRAVUR	ULUNDURPET	VISSANNAPET
SALEM I	SIRSI CHIT I	THIRUPPUR II	UMRED NAGPUR WCD	VITA WCD
SALIBANDA	SIRUGUPPA	THIRUTHURAIPOONDI	UNNAO LUD CD	VIZAG I TOWN
SALUR	SITAPUR LUD	THIRUVALLUR	URAVAKONDA	VIZAG N.A.D
SANATH NAGAR	SIVAGANGAI	THIRUVALLUR II	UTHIRAMERUR	VIZIANAGARAM I
SANGAGIRI	SIVAKASI II	THIRUVANMIYUR	UTTAM NAGAR	VIZIANAGARAM II
SANGAMANER	SOLAN	THIRUVANNAMALAI	V	VIZIANAGARAM III
SANGAREDDY	SOMPETA	THIRUVANNAMALAI II		VUYYUR
SANGAREDDY II	SOUTH DELHI WCD	THIRUVANNAMALAI III		W
SANGLI BRANCH	SRI KALAHASTI	THIRUVARUR I	V KOTA	
SANGRUR LUDCD	SRIGANGA NAGAR LUDCD	THIRUVERUMBUR	VADALLUR	
SANKARANKOIL II	SRIKAKULAM II	THIRUVERUMBUR II	VALJAPUR AURANGABAD WCD	
SANTHOSH NAGAR	SRIKAKULAM I	THIRUVNNAMALAI IV	VALIGONDA	
SARAVANAMPATTI	SRIPERUMPUDUR	THIRUVOTIYUR	VALLIYUR	
SATANA NASIK WCD	SRIRANGAM I	THIRUVOTTIYUR II	VANASTHALIPURAM	
SATARA	SRIVILLIPUTHUR	THITTAKUDI II	VAPI CD	
SATHYAMANGALAM	SULLURPET	THORRUR	VAPI NON CHIT WCD	
SATNA CD	SULTANPUR LUD	THURAIYUR	VARANASI LUDCD	WARDHA
SATTENAPALLI	SULTHAN BATHERRY	TIPTUR	VASCO	WARDHANNAPET
SATTHUR	SURAT CD	TIRUCHENDUR II	VASHI CHIT CD HP	WARNA WCD
SATTUPALLI	SURYAPET	TIRUMALGIRI	VEDARANYAM	WARORA CHANDRAPUR WCD
SATYAVEDU	T	TIRUNELVELI	VELACHERRY	WARUD AMRAVATI WCD
SECUNDERABAD I		TIRUNELVELI I	VELLAKOVIL	WASHIM WCD
SELAİYUR		TIRUPATHI II	VELLORE	WCD PALANPUR
SELAİYUR II		TIRUPATI I	VELLORE II	WCD PORBANDAR
SEMBANARKOIL		TIRUPATTUR II	VELLORE III	WCD VIDISHA
SEONI CD		TIRUPPUR	VEMPALLE	WEST MAMBALAM
SHAD NAGAR		TIRUPPUR I	VEMULAVADA	WILSON GARDEN
SHAHADA DHULE WCD		TIRUR	VENKATAGIRI	WORAIYUR I
SHAHAPUR		TIRUVARUR	VERAVAL WCD	WORAIYUR II
SHAHJAHANPUR LUD		TIRUVURU	VIDYARANYAPURA	WYRA III
SHAMSHABAD	TANUKU	TONDAIRPET	VIJAYA NAGAR	Y
SHIMLA	TEKKALI	TONK LUDCD	VIJAYAWADA I	
SHIMOGA II CHIT	TENALI	TRICHUR	VIJAYAWADA II	
SHIRWAL WCD	TENKASI	TRICHY II	VIJAYAWADA III	
SHIVAJI NAGAR	TENKASI II	TRICHY I	VIJAYAWADA IV	
SHIVAM	THANE CHIT CD HP	TRIVANDRUM	VIJAYAWADA V	
SHOLAPUR	THANJAVUR	TUMKUR	VIJAYAWADA VII	
SHOLINGANALLUR	THANJAVUR I	TUNI	VIKARABAD	
SHRIRAMPUR WCD	THANJAVUR II	TUTICORIN	VILLIVAKKAM	
SIDDIPET	THARAMANGALAM	TUTICORIN II	VILLUPURAM	
SIKAR JAIPUR III WCD	THEERTHALLI	U	VILLUPURAM II	Z
SILIGURI EF WCD	THENI		VINJAMUR	
SILLOD AURANGABAD WCD	THENI II		VINUKONDA	
SINDHANUR I	THILLAI NAGAR		VIRALIMALAI	
SINGANALLUR	THINDIVANAM II		VIRUDACHALAM	
	THIRUCHENGODE		VIRUDACHALAM I	

Performance

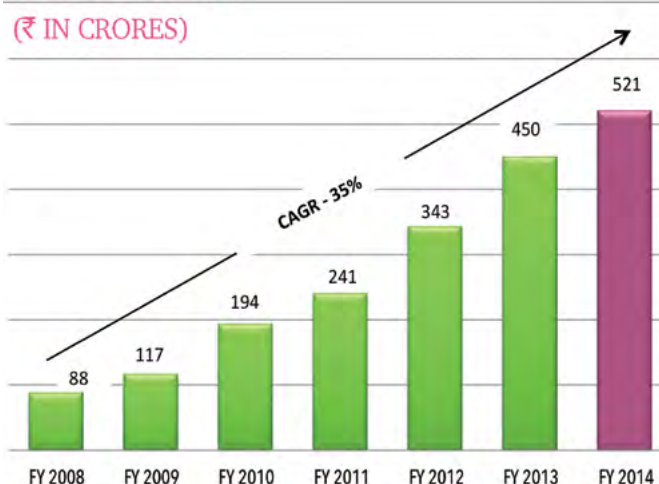
Total Income

(₹ IN CRORES)



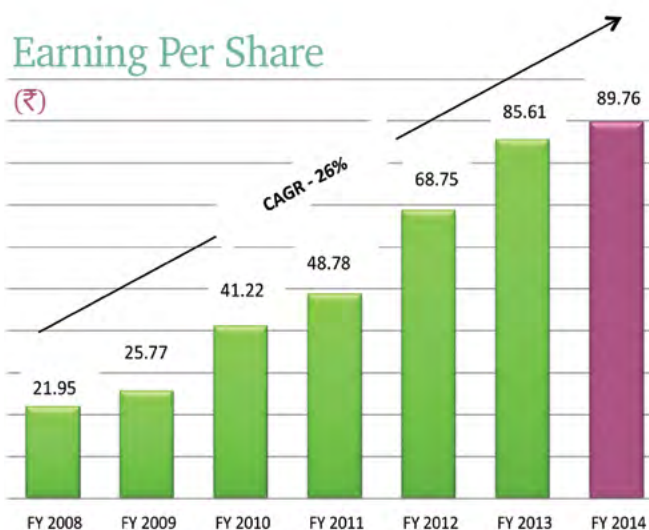
Net Profit

(₹ IN CRORES)



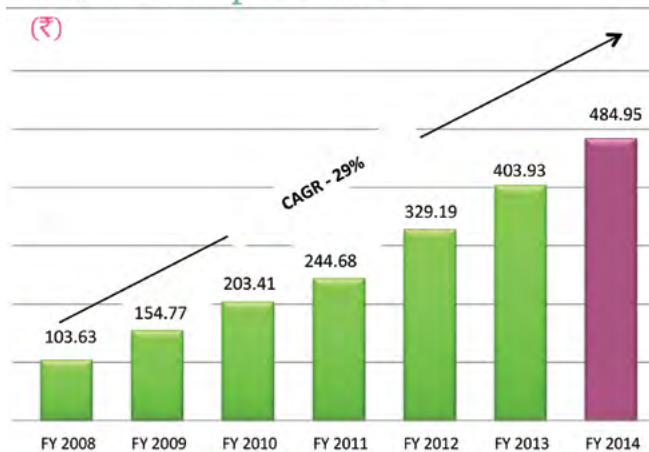
Earning Per Share

(₹)



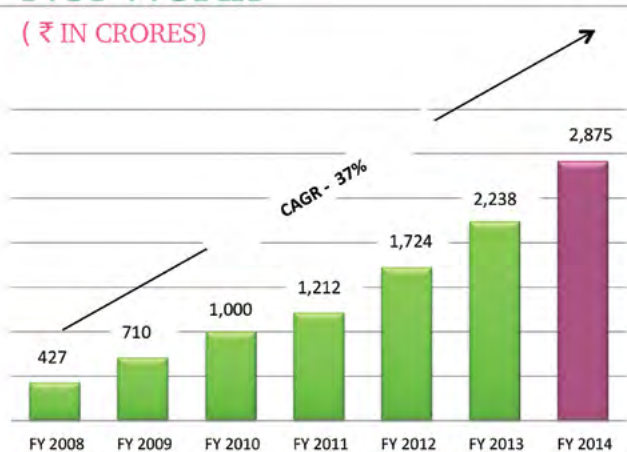
Book Value per share

(₹)



Net Worth

(₹ IN CRORES)



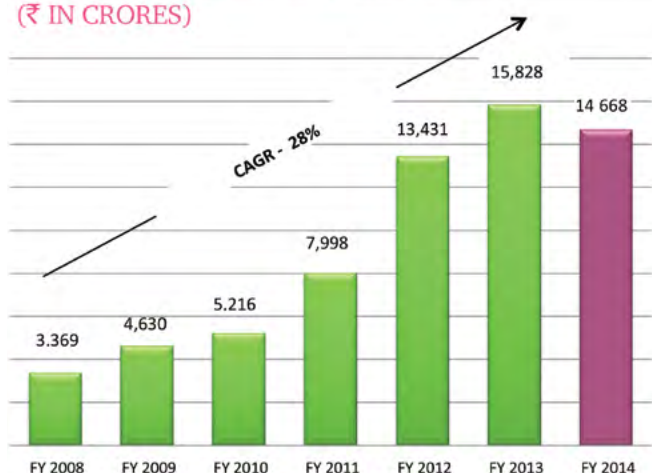
Capital Adequacy Ratio

(%)



Asset under Management

(₹ IN CRORES)



GROSS & NET NPA (%)



(I) "PROMOTER GROUP" AS DEFINED UNDER REGULATION 2 (1) (t) OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS), REGULATIONS, 2011 (SAST REGULATIONS 2011) AS UNDER

1. Shriram Ownership Trust 2. Shriram Financial Ventures (Chennai) Private Limited 3. Shriram Transport Finance Company Limited 4. Shriram Automall India Limited 5. Shriram Equipment Finance Company Limited 6. Shriram Asset Management Company Limited 7. Shriram Life Insurance Company Limited 8. Shriram General Insurance Limited 9. Shriram Credit Company Limited 10. Bharat Reinsurance Brokers Private Limited 11. Shriram Overseas Investments Holdings Private Limited 12. Shriram Investments Holdings Limited 13. Bharat Investments Pte. Limited, Singapore 14. Shriram Fortune Solutions Limited 15. Shriram Wealth Advisors Limited 16. Shriram Insight Share Brokers Limited 17. Shriram Financial Products Solutions (Chennai) Private Limited 18. Insight Commodities and Futures Private Limited 19. Shrilakha Financial Services.

(II) THE PERSONS ACTING IN CONCERT (PAC), AS DEFINED IN THE SEBI (SAST) REGULATIONS 2011 FOR THE PURPOSE OF REGULATION 10 OF SEBI (SAST) REGULATIONS, 2011:

1. Shriram Housing Finance Limited 2. TPG India Investments I INC 3. Sanlam Emerging Markets (Mauritius) Limited 4. Shriram Mutual Fund (SMF) 5. Mr. S Krishnamurthy (Trustee of SMF) 6. Mr. S M Prabhakaran (Trustee of SMF) 7. Mr. V N Shivashankar (Trustee of SMF) 8. Dr. Qudisia Gandhi (Trustee of SMF) 9. Sanlam Life Insurance Limited
Except Shriram Capital Limited and TPG India Investments I INC none of the entities mentioned above holds shares in SCUF (TC).

All the entities mentioned in above said note are PACs for not less than three years except the entities at Sl. No. 2. and 19. at Note No. (I) (under Promoter Group) and Sl. No. 3. , 5. , 7. , and 8. in Note No. (II) (under PAC Category).

The above disclosure is made for the purpose of Regulation 10 of SEBI (SAST) Regulations 2011



Mr. Arun Duggal, is a Non Executive Non Independent Chairman on our Board. He holds a degree of Bachelor of Technology in Mechanical Engineering from the Indian Institute of Technology, Delhi and a post graduate diploma in business administration from the Indian Institute of Management, Ahmedabad. He has been on our Board since May 25, 2007.



Mr. Duruvasan Ramachandra, is a Managing Director on our Board. He is also on the board of directors of CES Limited. He has been on our Board since June 6, 2012.



Mr. Gopalasamudram Srinivasaraghavan Sundararajan, is a Managing Director on our Board. He holds a degree of Bachelor of Engineering (Agriculture) from the Tamil Nadu Agricultural University, Coimbatore and a post graduate diploma in management (Agriculture) from the Indian Institute of Management, Ahmedabad. He has been on our Board as a director since December 31, 2009 and has been Managing Director with effect from November 1, 2012.

Director's Profiles

The following are brief biographies of our Directors (In alphabetical order)



Ms. Lakshmi Pranesh, is a Non Executive Independent Director on our Board. She holds a degree of Bachelor of Science from the University of Madras and of Master of Science (Mathematics) from the University of Madras. She has previously held the post of Chief Secretary to the Government of Tamil Nadu. She has been on our Board since December 1, 2010.



Mr. Pranab Prakash Pattanayak, is a Non Executive Independent Director on our Board. He holds a degree of Bachelor of Arts from the Utkal University and a Master of Arts degree from Utkal University. He has previously held the posts of deputy managing director and chief credit officer at State Bank of India. He has been on our Board since October 31, 2012.



Mr. Puneet Bhatia, is a Non executive Non independent Director on our Board. He holds a degree of Bachelor of Commerce (honours course) from the Shri Ram College of Commerce, Delhi and a Post Graduate Diploma in Management from the Indian Institute of Management, Kolkata. He has been on our Board since December 1, 2010.



Mr. Ranvir Dewan, is a Non executive Non independent Director on our Board. He holds a degree of Bachelor of Commerce (honours course) from the University of Delhi. He is a fellow of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Chartered Accountants of Ontario. He has been on our Board since December 1, 2010.



Mr. Subramaniam Krishnamurthy is a Non Executive Independent Director on our Board. He holds a Bachelor of Arts degree from the University of Madras, a Commercial Education Diploma in specialised banking from the Indian Merchants' Chamber, a Diploma in Industrial Relations and Personnel Management from the Bharatiya Vidya Bhavan, a Bachelor of General Law degree from the University of Mysore and a Master of Labour Studies degree from the Madurai Kamaraj University. He is an associate of the Indian Institute of Bankers. He was earlier the Banking Ombudsman, Chennai for approximately fifteen months. He has been on our Board since April 28, 2005.



Mr. Sunil Varma, is a Non Executive Independent Director on our Board. He holds a degree of Bachelor of Arts from the Panjab University. He is a fellow of the Institute of Chartered Accountants of India and an associate of the Institute of Cost and Works Accountant of India. He has been on our Board since August 17, 2007.



Mr. Vipen Kapur, is a Non Executive Independent Director on our Board. He holds a degree of Bachelor of Commerce from University of Madras. He is an associate of the Institute of Bankers. He has previously been associated with Grindlays Bank and Bank of America, New Delhi. He has been on our Board since June 15, 2007.



Mr. Venkataraman Murali, is a Non Executive Independent Director on our Board. He holds a degree of Bachelor of Commerce from the Vivekananda College, Chennai. He is a fellow of the Institute of Chartered Accountants of India and an associate of the Institute of Cost and Works Accountants of India. He has been on our Board since December 1, 2011.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present this 28th Annual Report of the Company together with the audited financial statements of the Company for the year ended March 31, 2014.

I. RESULTS OF OPERATION

The summary of financial performance of the Company for the year ended on March 31, 2014 is as under .

₹ in Crores

PARTICULARS	YEAR ENDED MARCH 31,	
	2014	2013
Profit before depreciation and taxation	809.41	690.06
Less: Depreciation	29.55	24.41
Profit before tax	779.86	665.65
Less: Provision for taxation	258.72	216.04
Profit after tax	521.14	449.61
Add: Profit brought forward from previous year	739.46	512.73
Profit available for appropriation	1,260.60	962.34
APPROPRIATIONS:		
Transfer to general reserve	52.20	44.98
Transfer to statutory reserve	104.40	89.95
Transfer to debenture redemption reserve	77.05	33.76
Dividend on equity shares of ₹ 10/- each fully paid-up Year 2013-14 : Interim ₹ 4.00, Final ₹ 6.00 Year 2012-13 : Interim ₹ 2.50, Final ₹ 6.00	61.12	46.41
Corporate dividend tax	10.39	7.79
Balance carried to balance sheet	955.44	739.46
EARNING PER SHARE BEFORE EXCEPTIONAL ITEMS		
Basic (₹ not annualised)	89.76	85.61
Diluted (₹ not annualised)	89.53	83.00

II. APPROPRIATIONS AND TRANSFER TO RESERVE

- (a) Transfer to Reserve : The Board of Directors propose to transfer amounts as mentioned in the above table to different reserve in Compliance with the requirements of RBI regulations and Companies Act.
- (b) Declaration of Dividend :The Board of Directors pay/recommend interim and final dividend based on the financials of the Company. The dividend pay out for the year under review has been formulated as per aspirations of the shareholders and to maintain a sustainable dividend linked to long term growth of the Company. The final dividend recommended by the Board is subject to declaration by the members of the Company. Your directors are pleased to recommend final dividend as mentioned below for the year ended March 31, 2014 to those members, whose name appear on the register of members as on the record date. The dividend paid during the year ended March 31, 2014 is also stated below for reference.

Dividend on equity shares of ₹ 10 each	No of Shares	Per share (₹)	Amount (₹ in crores)	Tax (₹ in crores)	Total outflow (₹ in crores)	Date of payment
Interim (FY 13 – 14)	5,92,77,082	4.00	25.55	4.34	29.89	November 18, 2013
Proposed final	5,92,84,432	6.00	35.57	6.05	41.62	-
Total		10.00	61.12	10.39	71.51	
Interim (FY 12 – 13)	5,25,31,701	2.50	13.16	2.13	15.29	November 26 ,2012
Final (FY 12 -13)	5,54,16,300	6.00	35.09	5.96	41.05	August 14, 2013
Total		8.50	48.25	8.09	56.34	

Section 205C of the Companies Act, 1956 read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001 requires the companies to transfer dividend that has remained unclaimed for a period of seven years from the date of it's declaration from unpaid dividend account to Investor Education and Protection Fund (IEPF). Accordingly, during the financial year an amount of ₹ 0.006 crores (Previous year ₹ 0.01 crores) were transferred to IEPF. An amount of ₹ 0.49 crores (previous year ₹ 0.38 crores) is lying in unpaid equity dividend account of the Company. Shareholders are informed that there will be no claim lie on the Company on account of dividend after the dividend is transferred to IEPF.

III. BUSINESS SCENARIO AND BUSINESS OPPORTUNITIES

NBFCs are an integral part of the Indian financial system, enhancing competition and diversification in the financial sector and complementing the banking system in India. With the growing emphasis on financial inclusion, NBFCs would play a vital role in serving the credit demand of the small and medium scale and retail sectors. Your company specializes in small scale and retail asset backed lending and has been extending credit to retail customers in this space and catering to under-served areas. Your company is best placed for the same. The credit demand is likely to be high and stable in coming years.

IV. OPERATIONS

The total disbursements of loans under different products during the year was ₹ 15,448 Crores compared to ₹ 17,412 crores during the previous year. Income from operations for the year under consideration grew by 3.32% percent to ₹ 3,173.50 crores as against ₹ 3,071.47 crores for the previous year and the same resulted in a profit before tax of ₹ 779.86 crores for the year under review, compared to ₹ 665.65 crores during the previous year. As at March 31, 2014 the total assets under management stood at ₹ 14,667.95 crores

V. FINANCE

The funding source for the Company comprised of debentures, fixed deposits, subordinated debts, borrowings from banks and financial institution by way of term loans and working capital loans.

Borrowings from banks/institution and by way of debentures/sub-ordinated debts/deposits/commercial paper constituted 58% and 42% (March 31, 2013 comparative values 61% and 39%) respectively of the total borrowings of the Company.

RESOURCES MOBILISED (GROSS)*	₹ in crores	
During the year ended March 31,	2014	2013
Deposits	626.74	0.26
Privately placed non convertible debentures	382.29	1,092.92
Subordinated debt	374.26	260.75
Commercial papers	-	1,335.00
Listed non convertible debentures	153.61	550.10
Term loans	2,016.06	3,195.00
Working Capital and Other loans	90.00	1,801.00
Total	3,642.96	8,235.03

*Resources mobilised (gross) excludes limits availed as Cash Credit from banks

Limits availed under Cash Credit during the year amounted to ₹ 415 crores; out of which balance outstanding as on March 31, 2014 is ₹ 367.55 crores (March 31, 2013: ₹ 1,347.29 crores)

As at March 31, 2014 51 deposits amounting to ₹ 0.13 crores had matured for payment and were due to be claimed or renewed. Subsequent follow-up for repayments/renewals resulted in the number reducing to 47 deposits amounting to ₹ 0.03 crores as on April 30, 2014. There are no deposits which had matured and claimed, but not paid by the company. Steps are continuously taken to arrange for repayment/renewal of these unclaimed deposits. During the year RBI by its notification number DNBD(PD) CC No. 330/03.10.001/2012-13 dated June 27, 2013 and DNBS(PD) CC No. 349/03.10.001/2013-14 dated July 2, 2013 stopped private placement of debentures and subordinated debts. In compliance with RBI's notification, the Company stopped both private placement of debentures and issue of subordinated debts during the year. Stoppage of allotment of debentures and subordinated debts in retail had a big impact on the Company's resource mobilisation.

VI. PUBLIC ISSUE OF DEBENTURES

The Company made a public issue of Secured Redeemable Non Convertible Debentures (NCDs) of face value of ₹ 1,000 each aggregating upto ₹ 100.00 crores with an option to retain over subscription up to ₹ 100.00 crores for issuance of additional NCDs aggregating to a total up to ₹ 200.00 crores in terms of the Prospectus dated November 18, 2013. Despite tough market conditions, the issue was over subscribed. The Company retained additional subscription and allotted NCDs for ₹ 153.61 crores. The proceeds of the issue were utilised for the purpose for which the issue was made as mentioned in the prospectus dated November 18, 2013. The utilization of the proceeds of the issue is mentioned in note no 28 of the notes to accounts.

VII. CREDIT RATING

The Company has obtained credit ratings from CRISIL, CARE and India Rating and Research Private Limited (IRRL) formerly known as FITCH, for its long term borrowings, short term borrowings and fixed deposits. It gives us pleasure to report that the Rating Outlook for the credit ratings granted by IRRL was upgraded to "Positive" from "Negative (with "stable" outlook)" in the month of April 2014. The present ratings are as under:

Instrument	CARE	IRRL	CRISIL
Non convertible debentures - secured	CARE AA	IND AA	CRISIL AA-/Stable
Subordinated debt		-	CRISIL AA-/Stable
Fixed deposits	CARE AA (FD)	IND tAA	FAA/Stable
Short term Debt	CARE A1 +	IND A1 +	CRISIL A1 +
Bank loan rating	-	IND AA	-

VIII. EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company implemented Employees Stock Options Scheme 2006 ("Scheme") approved by the members at the Extra-Ordinary General Meeting held on October 30, 2006 in accordance with the Securities & Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999. The Nomination and Remuneration Committee (formerly known as Remuneration and Compensation Committee) constituted in accordance with the SEBI Guidelines administers and monitors the Scheme. The applicable tax is borne by the option holder. The ESOP Scheme titled SCUF ESOP Scheme 2013 as approved by the members in the Extraordinary Meeting held on May 31, 2013 has not been implemented. The ESOP schemes amply benefit the employees of the Company and benefits the Company in retaining employees.

During the year under review, the Company allotted 37,050 fully paid up equity shares of the face value of ₹ 10.00 each to its employees on exercise of stock options by them under the Scheme.

The required disclosures under Clause 12 under SEBI Guidelines as on March 31, 2014 are set out in Annexure No. 1 to this report.

The Company has received the attached certificate (Refer Annexure No. 2 to this report) from the auditors of the Company certifying that the Scheme is implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and in accordance with the resolution of the members passed at their general meeting.

IX. HUMAN RESOURCE

We owe our continuing success to our employees. Our workforce defines our company, and is the most vital asset in our possession. The nurturing and development of this asset therefore plays an important role in our Human Resources policies. We believe that our company learns as our people learn, and towards this, Shriram City offers its employees sustained opportunities to learn and develop their skills, with the process beginning at induction. Employees, for us, are a capital investment. Exciting growth opportunities combined with initiatives such as our ESOP programs assist retention of employees. The result: a workforce that designs, refines and delivers the company's products and services, often going beyond the call of duty in doing so. The company added 3152 employees during the year, and our aggregate workforce numbered 15,760 employees as at March 31, 2014.

X. SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has got one subsidiary i.e. Shriram Housing Finance Ltd ("SHFL") registered with National Housing Bank for doing home loans.

The Board of Directors by way of a resolution passed at the meeting held on April 30, 2014 has given its consent for not attaching the Balance Sheet, Statement of profit and loss and other documents of the subsidiary to the Balance Sheet of the Company as per Section 212 of the Companies Act, 1956 read with General Circular No.2/2011 (51/12/2007-CL-III dated February 8, 2011) of the Ministry of Corporate Affairs (MCA), Govt of India. A statement of consolidated financials of the Company with that of the subsidiary prepared in compliance with accounting standards and listing agreements with stock exchanges is attached to this annual report (Please refer Annexure No. 11 to this report).

The annual accounts, annual reports and the related detailed information of the subsidiary shall be made available to the share holders of the Company and the subsidiary company seeking such information at any point of time. The annual accounts of the subsidiary shall be kept at the Registered Office of the Company and at the Registered Office of the subsidiary company for inspection by any shareholder. The Company shall furnish hard copy of the detail of the accounts of the subsidiary to any shareholder on demand. The annual accounts of the subsidiary shall be available on the web site of the Company (www.shriramcity.in) and shall be provided to shareholders on their written request to the Company.

XI. RESERVE BANK OF INDIA (RBI) GUIDELINES

NBFCs are regulated by RBI. The Company continues to comply with all applicable regulations of RBI from time to time. Capital to Risk (Weighted) Assets Ratio (CRAR) of the Company as at March 31, 2014 stood at 25.77% of the aggregate risk weighted assets on the balance sheet and risk adjusted value of the off balance sheet items totalling to ₹ 13,661.83 crores. The Company was quick to positively respond to the changes formulated by RBI.

XII. CORPORATE GOVERNANCE

The Company continues to adhere to high standard of corporate governance. Report on corporate governance forming part of this report as required under clause 49 of the listing agreement together with the certificate from the auditors of the Company, confirming the compliance with the corporate governance are attached to this report (Refer Annexure No 7). As required by Clause 49 (IV) (F) of the listing Agreement with stock exchanges, the Management Discussion Analysis on the business of the Company forming part of this report is attached (Refer Annexure No. 3).

Further, as required under Clause 49 of the listing agreement, a certificate, duly signed by the Managing Director and Chief Financial Officer on the financial statements of the Company for the year ended March 31, 2014, was submitted to the Board of Directors at their meeting held on April 30, 2014. The same certificate is attached to the report on corporate governance (Refer Annexure No. 6). The relevant provisions of the voluntary guidelines are adopted in the areas deemed appropriate.

XIII. CORPORATE SOCIAL RESPONSIBILITY

As an integral part of the society, the Company is engaged in community and social development. The Company endeavours to empower under privileged and weaker section of the community through various initiatives.

XIV. RECOGNITIONS

“SKOCH AWARD”

The Directors are pleased to report that the company won the “SKOCH Corporate Leadership Award 2013” and “SKOCH Order of Merit and a citation”.



Top: Chairman Mr. Arun Duggal receiving the award from the Finance Minister

Below: Ms. Subhasri Sriram, Executive Director and CFO receiving the Order of Merit



XV. DIRECTORATE

As per provisions of the Companies Act, 1956 and articles of association of the Company, Sri Puneet Bhatia and Sri Ranvir Dewan retire by rotation at the ensuing Annual General Meeting. Both of them being eligible seek reappointment. The Company has received notice in writing along with requisite deposit from members under section 160 (1) of the Companies Act, 2013 signifying the candidature of following directors Sri Subramaniam Krishnamurthy, Sri Pranab Prakash Pattanayak, Sri Venkataraman Murali, Smt. Lakshmi Pranesh, Sri Sunil Varma and Sri Vipen Kapur to continue/be appointed as a Non-Executive and Independent Directors till March 31, 2019 not liable to retire by rotation. As per section 149 (13) of the Companies Act, 2013 an independent director is not liable to retire by rotation. They being eligible for appointment have consented to and declared as qualified for such appointment, if made. The Board has recommended the appointment of all the above mentioned directors.

XVI. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' responsibility statement, the Directors of the Company hereby confirm that :

- (i) in the preparation of annual accounts for the year ended on March 31, 2014 the applicable accounting standards have been followed and proper explanations have been made in notes to accounts for material departures;
- (ii) the accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and statement of the profit and loss of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

XVII. AUDIT AND AUDITORS

The Auditors M/s Pijush Gupta & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting (AGM) and have confirmed their eligibility and willingness to accept the office, if re-appointed. Necessary resolution for their re-appointment till conclusion of the 29th AGM is proposed at the ensuing AGM. The report of the auditor on financial statements referred to in auditor's report are self explanatory and do not require further comments.

XVIII. DISCLOSURE UNDER SECTION 217 OF THE COMPANIES ACT 1956

The particulars as required under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 for the year ended on March 31, 2014 are as under:

A. Conservation of Energy : The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, including additional investments, wherever required have been taken to reduce energy consumption.

B. The Company has not absorbed any technology

C. There were no foreign exchange earnings .

D. There was an outgo of foreign exchange equivalent of ₹ 13.81 lacs

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, form a part of this report. As per the provisions of Section 219 (1)

(b) (iv) of the Companies Act, 1956 this report and accounts are being sent to all the members of the Company and others entitled there to, without the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the secretarial office of the Company and the same will be sent by post.

XIX. ACKNOWLEDGEMENT

The Board of directors place on record their gratitude for the guidance and cooperation extended by Reserve Bank of India and other statutory authorities. The Board takes this opportunity to express their sincere appreciation for the excellent co-operation and assistance received from the banks and financial Institutions. The Board is thankful to the auditors of the Company. The Board is pleased to record its appreciation for the enthusiasm, commitment, dedicated efforts of the employees of the Company at all levels. The Board is also deeply grateful for the continued confidence and faith reposed in the Company by the shareholders, depositors, debenture holders and debt holders.

For and on behalf of the Board of Directors

Place : Chennai

Date : April 30, 2014

ARUN DUGGAL

CHAIRMAN

ANNEXURE 1

ANNEXURE FORMING A PART OF THE DIRECTORS' REPORT, 2013 - 14

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as at March 31, 2014.

PARTICULARS	SCUF Employees Stock Option Scheme, 2006
a) Options Granted	13,55,000 equity shares of ₹10/- each
b) The pricing formula	₹ 35/- per option
c) Options vested	13,55,000
d) Options exercised	12,03,390
e) The total number of shares arising as a result of exercise of option	12,03,390
f) Options lapsed	Nil
g) Variation of terms of options	Nil
h) Money realised by exercise of options	4,21,18,650
i) Total number of options in force (As on March 31, 2014)	1,51,610
j) Director and employee wise details of options granted to:	
i) Director(s) including Managing Director and Senior Management Personnel	None
ii) Any other employee who receives a grant of option amounting to 5% or more of option granted	Nil
iii) identified employees who were granted option equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
k) Diluted earnings per share (EPS) pursuant to issue of Shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	₹ 89.53
i) Method of calculation of employee compensation cost	Intrinsic value method
ii) Difference between the employee compensation cost so calculated at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	Employee Compensation cost As per Fair Value method (Using Black Scholes Model) ₹ 30.82 crores As per Intrinsic Value method ₹ 30.69 crores Difference in cost ₹ 0.13 crores
iii) The impact of this difference on profits and on EPS of the Company	As per Fair Value method NIL (Using Black Scholes Model) As per Intrinsic Value method NIL Impact on Profit NIL Impact on Diluted EPS NIL
l) Weighted average exercise price	₹ 35.00
Weighted average fair value	₹ 227.42
m) Fair value of options based on Black Scholes methodology	
Assumption risk free rate	7.67%
Expected life of options (in years)	5
Expected volatility (based on Monthly Volatility of the Company's stock price on the NSE)	55.36%
Expected Dividends per share	₹ 3
Closing market price of share at NSE on date of option granted	₹ 261.45

ANNEXURE 2

AUDITORS' CERTIFICATE

PIJUSH GUPTA & CO

CHARTERED ACCOUNTANTS

P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA –700 010

This is to certify that the `SCUF Employees Stock Options Scheme 2006' of Shriram City Union Finance Ltd has been implemented in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and in accordance with the resolution passed by the Company at its Extraordinary General Meeting held on October 30, 2006 wherein the aforesaid scheme was approved by the shareholders.

This certificate is issued under Clause 14.1 of the aforesaid Guidelines.

For **Pijush Gupta & Co.**

Firm Registration No. 309015E

Chartered Accountants

Ramendra Nath Das

Partner

Membership No. 014125

Place : Chennai

Date : April 30, 2014

ANNEXURE 3

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry structure and developments.

The company is a prominent national player in the field of retail financing, with particular emphasis on Enterprise Financing, involving financial assistance to small business owners. Two Wheeler financing and Gold loans also constitute an important part of the company's portfolio. Consumption in the retail space has seen some resistance in the year just concluded, and is largely attributable to macro-economic factors. These factors in turn were influenced to an extent by developments related to politics – both regional and national, and governance. Thus, while they lasted, the political developments in certain States such as Andhra Pradesh and governance issues in others such as Goa and Odisha impacted consumption despite the overall demand outlook remaining positive. During the period that these developments prevailed, the government machinery in Andhra Pradesh was able to operate at less than optimum capacity, leading to some amount of demand that could be converted into business only with a delayed effect. The impending national elections also resulted in a slowing down of decisions related to large capital investments and in fewer policy decisions pertaining to such investments, thus impacting business and employment opportunities, and, in turn, consumption behaviour which therefore tended to be marginally subdued when compared to some of the previous years. Consumer Price inflation tended to be on the higher side for much of the year, leading in turn to interest rates which were also on the higher side, with some amount of uncertainty about the direction they would take. On the resources front, certain regulatory changes affected the ability of most non-banks to raise funds through some traditionally popular instruments.

The company however managed to take the economic headwinds in its stride, and registered a healthy growth in revenues and profits. It could do so because of the uniqueness of its business model as well as the profile of its borrowers who largely operate in the replacement and arbitrage markets. The company caters to small business owners whose enterprises are for the most part insulated from the vagaries of the economy. The political situation in Andhra Pradesh settled down towards the last quarter of the year, and this augurs well for the company's substantial business stakes in the State. It is further expected that the dispensation which would take the reins of the country after the general elections would expedite policy- and decision-making with regard to investment spending and overall development work – factors which would assist consumption. The price of gold which had exhibited sharp volatility before the start of the year, stabilized to a large extent, making for the building up of a steady portfolio of borrowers offering the metal as se-

curity. As regards raising resources, the company possesses the license to attract Fixed Deposits from the public, and put this advantage to good use. The company further capitalized on its reputation and goodwill with the investing public by floating a successful public offering of debt during the year. The company continued to attract the faith of commercial banks and institutions, and finely priced resources were accordingly at its disposal.

2. Opportunities and Threats.

Opportunities: The company was successful in deepening its reach into already-penetrated markets. It could therefore achieve its growth targets without necessarily investing in very many new business outlets. Instead, more product lines were introduced in matured branches. This approach offers even greater growth opportunities in the times to come. The company also perceives ample scope to grow its business outside its traditional bastion of Southern India, its performance in the Northern and Western parts of the country having been encouraging in the year just concluded.

Threats: The uniqueness of the company's business model – one based on drawing on the Group's long standing constituents and customers and on a community-driven approach – translates into lower competitive threats. Regulatory oversight however poses an ever-present challenge, and in this, the company's concerns are shared by the non-bank community as a whole.

3. Segment-wise or product-wise performance.

The company continued to demonstrate its strong standing in the SME financing space, and loans to this asset class again dominated the portfolio. Enterprise Finance constituted 51% of the company's loan portfolio for FY2014. The company had earlier in the year altered its strategy for Gold loans, and growth in this segment was therefore regulated so as to eventually form 17% of its loan book. The Two Wheeler loan portfolio continued its robust growth first demonstrated in the third quarter of the year, and contributed 18% to the portfolio. Growth in Auto loans, Personal loans and Consumer Durable loans followed anticipated lines. The company also maintained the quality of its loan book in the year, with Gross- and Net NPAs of 2.67% and 0.60% respectively.

4. Outlook

The company is confident of making significant strides in sustaining its status as the largest MSME finance company in the country. Customer acquisition continues to be robust, and

the company's credit appraisal engines are well-equipped to handle a 25 percent growth in the top line for next fiscal year. The company is one of the largest financiers of Two Wheelers in the country, and it expects to further strengthen its presence in this segment. The company also expects reasonable growth in gold financing, given that the product caters to the basic needs of its target market besides being profitable.

5. Risks and concerns.

The company is well-equipped to counter risks associated with the normal course of conducting non-banking activities. For instance, while in general, any industrial or economic slowdown usually hits the business of medium & large enterprises, Shriram City finances small business owners who cater to the replacement market or act as arbitragers (traders). The impact of an economic slowdown therefore is relatively minimised or delayed in the case of the company's customers. The company is similarly in an advantageous position with regard to liquidity and asset-liability mismatch. The concerns therefore relate more to regulatory changes – both past and prospective. Reserve Bank of India has in the recent past initiated certain regulations which have had far-reaching implications for NBFCs. Some of these include an overnight embargo on retail debentures, curbs on securitization and the denial of Priority Sector Lending status for debt contracted by NBFCs from commercial banks. In addition, non-banks have for long had to contend with the possibility of the apex regulator making it mandatory for them to follow NPA recognition norms as imposed on commercial banks. The company also has had to continuously evolve and improve its assessment mechanism to meet the standard challenges posed by its involvement in catering to the MSME segment, such as inadequate financial documents to facilitate a satisfactory credit assessment, insufficient collateral availability against their credit requirement and irregular cash flows. However, the company's community lending model has stood the test of time and has all the essential elements to surmount these challenges.

6. Internal control systems and their adequacy

The company's internal control system provides for adequate documentation of policies, guidelines, authorities and approval procedures, which helps in ensuring that the assets of the Company are properly protected. The effectiveness of the internal control system is constantly monitored by the internal audit department along with the external audit firms appointed to carry out the internal audit of the various locations of the company. The highlights of the internal control and internal audit reports are placed before each Audit Committee meetings along with the recommendations and re-

sponses of the management. Besides, statutory auditors also present their suggestions to the members for improvements in control and compliance.

7. Discussion on financial performance with respect to operational performance.

Despite it having been a challenging year for the Indian economy, Shriram City was able to turn in a satisfactory performance on financial parameters as well. Total Income for the year was Rs. 3238.63 Crores, a growth of 5.05% over the last fiscal. The company registered a Net Profit of Rs. 521.14 Crores, up by 15.91% over the previous year. Net Interest Income climbed to Rs. 1823 Crores, higher by 10%. Assets under Management, at Rs. 14668 Crores were comparatively subdued (Rs. 15828 Crores in the previous year), but this was on account of a deliberate moderation in the company's Gold loan business. The Net Worth stood at Rs. 2916.63 Crores. The company's Key Financial Ratios also attested to the strength of its financial performance: the Capital Adequacy was a healthy 26.07% Shriram City clocked a Return on Average Networth of 20.22% and a Return on Average Total Assets of 3.18%. Book Value and EPS were Rs. 491.97 and Rs. 89.76 respectively.

On the resources front, the company's total indebtedness stood at Rs. 12049 Crores, comprising Bank borrowings of 54%, retail debt of 28%, publicly issued NCDs of 11% and market borrowings of 7%. The company's weighted average cost of funds stood at a well-controlled 10.90%, and improved Net Interest Margins of 11.95% testified to the ability of the company to attract economically-priced resources and to continue to offer its loan products at affordable rates.

8. Material developments in Human Resources front, including number of people employed.

The company added 3152 employees during the year, and the aggregate workforce stood at 15,760 at the end of the year. The company's long-standing philosophy has been one of encouraging its employees to think and act like entrepreneurs while building a quality loan portfolio. The workforce is also empowered and trained in accordance with this philosophy, and the result has been the emergence of skilled teams across products and levels. Shriram City's Human Resource policies are devised around this precept, and the company can rightfully boast of among the lowest attrition levels in the industry. The company also continues to be quick to reward deserving team members in the form of incentives and promotions.

ANNEXURE 4

Annexure to the Directors' Report for the year ended on March 31, 2014

REPORT ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is aimed at :

(a) Enhancing long term shareholder value through

- Assisting the top management in taking sound business decisions; and
- Prudent financial management.

(b) Achieving transparency and professionalism in all decisions and activities of the Company.

(c) Achieving excellence in Corporate Governance by

- Conforming to the prevalent guidelines on Corporate Governance and excelling in it, wherever possible.
- Reviewing periodically the existing systems and controls for further improvements.

1. BOARD OF DIRECTORS

Size & Composition

The Board of Directors of the Company consists of optimum combination of Executive, Non Executive & Independent Directors to ensure independent functioning of the Board. All independent Directors meet the criteria of independence as defined in Clause 49 I (A) (iii) of the listing agreement with stock exchanges.

The present strength of the Board is 11, consisting of a Non Executive and Non Independent Chairman, two Managing Directors and 8 Non Executive Directors. The Board of Directors of the Company consists of professionals from varied disciplines. The Board Members possess the skill, experience and expertise required to guide the Company.

The Composition of Board of Directors is as under :-

S No	NAME OF THE DIRECTOR	CATEGORY OF DIRECTORSHIPS		
		EXECUTIVE/ NON EXECUTIVE	INDEPENDENT/ NON INDEPENDENT	POSITION
1	Sri Arun Duggal	Non Executive	Non Independent	Chairman
2	Sri Duruvasan Ramachandra	Executive	Non Independent	Managing Director
3	Sri Gopalasamudram Srinivasaraghavan Sundararajan	Executive	Non Independent	Managing Director
4	Sri Subramaniam Krishnamurthy	Non Executive	Independent	Director
5	Smt Lakshmi Pranesh	Non Executive	Independent	Director
6	Sri Venkataraman Murali	Non Executive	Independent	Director
7	Sri Puneet Bhatia	Non Executive	Non Independent	Director
8	Sri Ranvir Dewan	Non Executive	Non Independent	Director
9	Sri Sunil Varma	Non Executive	Independent	Director
10	Sri Vipin Kapur	Non Executive	Independent	Director
11	Sri Pranab Prakash Pattanayak	Non Executive	Independent	Director

None of the Directors hold any equity shares/warrants in the Company. All the Directors have made declaration about their category of directorships in the Company at the time of their appointment and make this declaration annually. All such annual declarations were placed before the Board of Directors at the meeting held on April 30, 2014. No director on Board is related to the other in terms of 'relative' defined under Companies Act, 1956.

1.1 Board process

The Board meets at least once in each quarter to review the performance and financial results. Apart from this, additional Board meetings are held by giving appropriate notice to address the specific needs of the Company. The maximum time gap between two meetings does not exceed four months. The Board meetings are generally scheduled well in advance. The notice and agenda of each Board Meeting are given in writing to each director well in advance of the meeting. In special and exceptional circumstances, additional or supplementary item(s) are permitted. Where it is not practicable to attach any document to the agenda, the same are tabled at the meeting. In cases of business exigencies or urgent matters, resolutions are passed by circulation. The information as per the requirement of corporate governance norms are made available to the Board including the information as mentioned in Annexure-1A to Clause 49 of the listing agreement. The Board is also free to recommend inclusion of any matter for discussion in consultation with the Chairman.

All the deliberations and decisions occurring in every meeting of the Board and its Committees are entered in the minute book. The minutes are confirmed and signed in the immediately succeeding Board / Committee meeting by the Chairman of the same meeting or succeeding meeting.

Important decisions taken at the Board Meetings/Committee Meetings are communicated to concerned departments of the Company and action taken reports on decisions/minutes of previous meetings are placed at the succeeding meetings of the Board/Committee for noting.

The Company's process for Board meetings are followed for committee meetings as far as it is practicable. The minutes of the proceedings of the committee meetings are placed before the Board meeting for perusal and notings .

1.2 Functioning of the board

The Board of Directors is the apex body constituted by share holders for overseeing the overall functioning of the Company. The Board provides strategic direction, evaluates the same and ensures long term interest of the stake holders. The day to day management of the affairs of the Company is entrusted with the senior management personnel, which is headed by two Managing Directors, who function under the overall direction, supervision, and control of the Board of Directors of the Company. The Board meets to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions. Some of the powers of the Board have been delegated to Committee(s) of Directors formed for different purposes with defined terms of reference. The Board thus exercises close control over the functioning of the Company with a view to enhance the stakeholder value. The Board periodically reviews the compliance by the Company of all applicable laws, as well as steps taken by the Company to rectify non compliance, if any.

1.3 Board meetings and attendance of directors

Four meetings of the Board of Directors were held during the year, which ended March 31, 2014 - on May 20, 2013, July 25, 2013, October 26, 2013 and January 30, 2014 and the maximum gap between the two board meeting did not exceed four months.

The attendance of Directors at Board Meetings, last Annual General Meeting (AGM) /Extraordinary General Meeting (EGM) and the number of directorship, membership/chairmanship held by them on the board/committees of the board of other Companies are as under :

S. No	Name of the Director	Position	No of Board Meetings held	Board Meetings attended	AGM held on dt July 25, 2013	EGM held on dt. May 31, 2013	No of directorship held in other companies	Membership and Chairmanship of the Committees of the Board of other companies	
								Membership	Chairmanship
1	Sri Arun Duggal	Chairman	4	4	Present	Not Present	10	2	3
2	Sri Duruvasan Ramachandra	Managing Director	4	4	Present	Not Present	1	-	-
3	Sri Gopalasamudram Srinivasaraghavan Sundararajan	Managing Director	4	4	Present	Present	7	-	-
4	Sri Subramaniam Krishnamurthy	Director	4	4	Present	Present	3	2	1
5	Smt Lakshmi Pranesh	Director	4	2	Not Present	Not Present	-	-	-
6	Sri Venkataraman Murali	Director	4	3	Present	Present	6	1	1
7	Sri Puneet Bhatia	Director	4	3	Not Present	Not Present	6	-	-
8	Sri Ranvir Dewan	Director	4	3	Present	Not Present	5	1	-
9	Sri Sunil Varma	Director	4	3	Not Present	Not Present	3	-	3
10	Sri Vipen Kapur	Director	4	4	Present	Present	1	-	-
11	Sri Pranab Prakash Pattanayak	Director	4	3	Not Present	Not Present	1	-	-

The total number of directorships of directors mentioned above includes their directorships in private limited companies, section 25 companies and foreign companies, if any and excludes their directorships in the Company. The memberships/ chairmanships in audit committee and shareholders'/investors' grievance committee in public limited companies (excluding the Company) are mentioned above .

None of the directors of the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as required under Clause 49 (I) (C) (ii) of the listing agreement with stock exchanges. All the directors have made requisite disclosures regarding directorship and Committee positions occupied by them in other Companies.

1.4 Code of conduct for directors and senior management

The Board has laid down Code of Conduct for Board Members and designated senior management personnel (code) as required under Clause 49 (I) (D) of the listing agreement with stock exchanges. The Code is displayed on the web site of the Company at www.shriramcity.in. All the Board members and the designated senior management personnel have annually affirmed compliance with the Code. A declaration to this effect signed by the Managing Director and CEO is attached to this Report (Annexure No. -5).

1.5 Remuneration of Directors

Non Executive Independent Directors get sitting fees for each of the meeting of the Board of Directors (₹ 15,000 for each Board Meeting attended) / Committees (₹ 10,000/- for each Committee Meeting attended) attended. The Managing Director and CEO of the Company is paid remuneration as per terms of his appointment. No other remuneration is paid to the directors.

The sitting fees / remuneration paid to the directors for the year ended March 31, 2014 are given below:

Name of the Director	DIN	Category	Position	Sitting fees for attending meetings ₹	Salary, allowances & Perquisites ₹	Total ₹
Sri Arun Duggal	00024262	Non Executive, Non Independent	Chairman	-	-	-
Sri Duruvasan Ramachandra	00223052	Executive, Non Independent	Managing Director	-	-	47,27,800/-
Sri Gopalasamudram Srinivasaraghavan Sundararajan	00361030	Executive, Non Independent	Managing Director	-	-	-
Sri Subramaniam Krishnamurthy	00140414	Non Executive, Independent	Director	1,80,000/-	-	1,80,000/-
Smt Lakshmi Pranesh	03333412	Non Executive, Independent	Director	50,000/-	-	50,000/-
Sri Venkataraman Murali	00730218	Non Executive, Independent	Director	1,05,000/-	-	1,05,000/-
Sri Puneet Bhatia	00143973	Non Executive, Non Independent	Director	-	-	-
Sri Ranvir Dewan	01254350	Non Executive, Non Independent	Director	-	-	-
Sri Sunil Varma	01020611	Non Executive, Independent	Director	75,000/-	-	75,000/-
Sri Vipen Kapur	01623192	Non Executive, Independent	Director	1,00,000/-	-	1,00,000/-
Sri Pranab Prakash Pattanayak	00506007	Non Executive, Independent	Director	45,000/-	-	45,000/-

2. COMMITTEES OF THE BOARD

The Board of Directors has formed different committees as required under different regulations and as required for business purposes. The terms of reference of each committee is defined by the Board. The committees are Audit and Risk Management Committee (Formerly known as Audit Committee), Stakeholders Relationship Committee (Formerly known as Shareholder's/Investors' Grievance Committee), Nomination and Remuneration Committee (Formerly known as Remuneration and Compensation Committee), Asset Liability Management Committee, Banking & Finance Committee, Debt Allotment Committee, Securities Management Committee (Formerly known as Debt Issuance Committee), Debenture Allotment Committee, Equity Allotment Committee, ESOP Allotment Committee, Share Transfer Committee) and Financial Results Review Committee.

The constitution of the committees, appointment of members of each committee, fixing the terms of reference of each committee are taken by the Board and are as per guidelines set out in clause 49 (II) of the listing agreement with stock exchanges, RBI regulations, Companies Act and other requirements. Brief terms of reference, composition, number of meetings of the committees held during the financial year 2013-14 and related attendance are provided below.

3. AUDIT AND RISK MANAGEMENT COMMITTEE

(FORMERLY KNOWN AS AUDIT COMMITTEE)

The Audit and Risk Management Committee has been constituted as per section 177 of the Companies Act, 2013, Clause 49 (II) of the Listing Agreement with Stock Exchanges and regulation of the Reserve Bank of India.

3.1 Brief description of the terms of reference

- Recommend appointment, re-appointment, terms of appointment/reappointment and remuneration of Auditors and review and monitor auditor's independence and performance and effectiveness of audit process.
- Examine the Financial Statements, financial reporting process and the auditor's report and evaluation of internal financial controls and risk management systems and approve appointment of Chief Financial Officer (CFO) of the Company
- Monitor the end use of funds raised through public offers and related matters
- Review internal audit function, internal audit report, follow up on findings the performance of the internal auditor, the functioning of the Whistle Blower Mechanism and action taken with regard to all statutory & legal requirements
- Look into the defaults in the payment to the depositors, debenture holders, shareholders and creditors.
- Scrutiny of intercorporate loans and investments and approve any transaction with related parties.
- Review Asset Liability Management positions, capital adequacy positions, resources raised, credit ratings and management of Non Performing Assets, credit policy for each product & to assess dovetailing of business done in accordance with overall credit policy, all major operational control/actionable points to handle failures and other exigencies.
- Analyse economic conditions, industry-wise performance, guidelines issued by regulatory authorities, competitor's policies & alerting management and mitigation of risks thereof

The Company Secretary of the Company acts as the Secretary for the Committee.

3.2 Composition & Attendance

The Committee met 4 times during the financial year 2013-14 on May 20, 2013, July 24, 2013, October 26, 2013 and January 30, 2014.

Name of the Director	Position	Category	No of meetings held	No. of meetings attended
Sri Sunil Varma	Chairman	Non Executive, Independent	4	3
Sri Subramaniam Krishnamurthy	Member	Non Executive, Independent	4	4
Smt Lakshmi Pranesh	Member	Non Executive, Independent	4	2
Sri Ranvir Dewan	Member	Non Executive, Non Independent	4	3
Sri Venkataraman Murali	Member	Non Executive, Independent	4	3

Sri Venkataraman Murali was appointed as Member the Audit Committee w.e.f. July 24, 2013

The Company Secretary of the Company is the Secretary of the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

(FORMERLY KNOWN AS REMUNERATION AND COMPENSATION COMMITTEE)

This Committee has been formed as per Section 178 of the Companies Act 2013, provisions of listing agreement and regulations of Reserve Bank of India

4.1 Brief description of terms of reference :

- Identify persons who qualify to become Directors and recommend their appointment to the Board, members of senior management as and when vacancies arise and recommend removal of a Director from the Board should the need arise
- Carry out evaluation of performance of every Director on an annual basis.
- Formulate policies for qualification, attributes and independence of directors and recommend to the Board policy relating to remuneration for directors, key managerial personnel and employees keeping in view to attract, motivate and retain talent required for the progress of the Company.
- Guide policies and practices in the talent management of the Company, formulation and administration of Employees Stock Option Plans (ESOP) and other incentive plans for employees and directors.

An Executive of the Secretarial Department acts as the Secretary for the Committee.

4.2 Composition and attendance:

The Committee met 4 times during the financial year on May 20, 2013, July 24, 2013, October 26, 2013 and January 30, 2014. The composition of the Committee and their attendance are as under .

Name of the Director	Position	Category	No of meetings held	No. of meetings attended
Sri Vipen Kapur	Chairman	Non Executive, Independent	4	4
Sri Subramaniam Krishnamurthy	Member	Non Executive, Independent	4	4
Sri Venkataraman Murali	Member	Non Executive, Independent	4	3

The Remuneration and Compensation Committee at its meeting held on May 30, 2009 formed a sub committee named 'Employee Stock Option Scheme Allotment Committee'. This Sub Committee considers allotment of shares under Company's Employees Stock Option Scheme to those employees who exercise the options. This sub committee is re-constituted as Securities Management Committee with effect from February 1, 2014. The sub committee comprised of Sri G S Sundararajan as the Chairman and Smt. Subhasri Sriram and Sri C R Dash as Members. The reconstituted Securities Management Committee comprises of Sri G S Sundararajan (Chairman), Smt. Subhasri Sriram and Sri R Chandrasekar as members of the committee. The sub committee met on May 6, 2013, July 5, 2013, September 5, 2013, November 25, 2013 and January 10, 2014 during the financial year. The minutes of the Employee Stock Option Scheme allotment committee are placed before the meeting of Remuneration and Compensation Committee (Reconstituted as Nomination and Remuneration Committee).

During the year ended March 31, 2014, 37,050 options were allotted to the employees in exercise of their Options.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

(FORMERLY KNOWN AS SHAREHOLDERS'/ INVESTORS ' GRIEVANCE COMMITTEE)

The Committee has been constituted as per Section 178 of the Companies Act 2013, listing agreement with stock exchanges and regulations of Reserve Bank of India.

5.1 Brief description of terms of reference :

- Review the Security holding pattern ,listing of securities on Indian Stock Exchanges and overseas
- Facilitate better investor/customer services and relations, resolve grievances of security holders, approve matters relating to Depositories, Registrar and Transfer Agents, transfer to Investor Education and Protection Fund and monitor the Code of Conduct for Insider Trading

The Company Secretary of the Company shall act as the Secretary for the Committee.

5.2 Composition & Attendance :

The Committee had met 4 times during the financial year on May 20, 2013, July 24, 2013, October 26, 2013 and January 30, 2014. The composition of the committee and the attendance are as under.

Name of the Director	Position	Category	No of meetings held	No of meetings attended
Sri Subramaniam Krishnamurthy	Chairman	Non Executive, Independent	4	4
Sri Gopalasamudram Srinivasaraghavan Sundararajan	Member	Executive, Non Independent	4	4
Sri Ramachandra Duruvasan	Member	Executive, Non Independent	4	4

Sri C R Dash, Company Secretary of the Company is the Compliance Officer. The Company has not received any complaint from the shareholder during the year ended on March 31, 2014.

6. BANKING & FINANCE COMMITTEE

6.1 Brief description of terms of reference

- All types of banking operations including open, close, change, modify, transfer of Bank Accounts, to accept and confirm bank balances
- Borrow Money from Bank or any other Institution within the limit specified by the Board, execution of loan documents and all activities required for any type of Banking/ Borrowing
- Invest, deposit or otherwise the funds of the Company in Short Term Deposits/ Long Term Deposits with Banks/ Mutual Funds/ any other Funds any other institutions and sell down the assets of the Company.

An executive of Secretarial Department acts as the secretary to the Committee.

6.2 Composition & Attendance

The Committee met 31 times during the financial year. The composition of the committee and their attendance are as under .

Name of the Director	Position	Category	No of meetings held	No of meetings attended
Sri Gopalamudram Srinivasaraghavan Sundararajan	Chairman	Executive, Non Independent	31	29
Sri Ramachandra Duruvasan	Member	Executive, Non Independent	31	31
Smt Subhasri Sriram*	Member	Executive Director and Chief Financial Officer	31	31
Sri Ramasubramanian Chandrasekar*	Member	Executive Director	31	6

Sri Ramasubramanian Chandrasekar was appointed as a Member of the Committee w.e.f. February 1, 2014

*Not members of the Board of Directors

7. FINANCIAL RESULTS REVIEW COMMITTEE

This Committee was constituted by the Board of Directors of the Company on August 17, 2007, under Clause 41 (II) (a) of the Listing Agreement. The Committee shall approve the quarterly financial results when the Board of Directors does not meet. No meetings were held of the Committee during the financial year 2013-14.

8. ASSET LIABILITY MANAGEMENT COMMITTEE

8.1 Brief terms of reference

- Balance Sheet planning from risk-return perspective, assessment and management of interest risk, liquidity risk, business risk in a structured manner and adoption of Asset-Liability management practices
- Providing a comprehensive and dynamic framework for measuring, monitoring and managing liquidity and interest rate risks of major operators in the financial system.
- Altering the asset-liability portfolio in a dynamic way in order to manage risks.

An executive of Secretarial Department acts as the Secretary to the Committee.

During the financial year 2013-14, the Committee met 4 times on April 30, 2013, July 24, 2013, October 26, 2013 and January 30, 2014

8.2 Composition & attendance

Name of the Director	Position	Category	No of meetings held	No. of meetings attended
Sri Pranab Prakash Pattanayak	Chairman	Non Executive, Independent	4	-
Sri Ramachandra Duruvasan	Member	Executive, Non Independent	4	4
Smt Subhasri Sriram*	Member	Executive Director & Chief Financial Officer	4	4
Sri Ramasubramanian Chandrasekar*	Member	Executive Director	4	4

Sri Pranab Prakash Pattanayak was appointed as Chairman w.e.f February 1, 2014

* Not members of the Board of Directors

9. MONITORING OF SUBSIDIARY COMPANY

The Company has got one non listed non material subsidiary company. The subsidiary company is managed by it's Board of Directors. Since, the subsidiary company is a non material and non listed subsidiary, the Company is not required to nominate one of it's independent directors on the Board of the subsidiary. The Company monitors the subsidiary by the following means :

- The financial statements, in particular the investments made by the subsidiary company are reviewed by the audit committee of the Company.
- All the minutes of the Board meetings of the subsidiary company are placed before the Company's board regularly.
- A statement containing all the significant transactions and arrangements entered into by the subsidiary company is placed before Board of the Company.

10.SHARE HOLDER INFORMATION AND DISCLOSURES

10.1 Corporate

The Company was incorporated on March 27, 1986 as Shriram Hire-Purchase Finance Private Limited with Registrar of Companies, Tamil Nadu, Chennai and got fresh certificate of incorporation consequent to change of name to Shriram City Union Finance Limited with effect from April 10, 1990. The Company made an initial public offering in December, 1994. The corporate identification number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L65191TN1986PLC012840.

10.2 Appointment and reappointment of directors

One third of the Directors retires by rotation and if eligible seek reappointment at AGM of the shareholders of the Company. At the ensuing AGM, Sri Ranvir Dewan and Sri Puneet Bhatia will retire. Being eligible, both of them have sought for reappointment. The Board has recommended the reappointment of both the retiring directors.

The Company has received notice in writing along with requisite deposit from members under section 160 (1) of the Companies Act, 2013 signifying the candidature of following directors Sri Subramaniam Krishnamurthy, Sri Pranab Prakash Pattanayak, Sri Venkataraman Murali, Smt. Lakshmi Pranesh, Sri Sunil Varma and Sri Vipen Kapur to continue/be appointed as a Non-Executive and Independent Directors till March 31, 2019 not liable to retire by rotation. As per section 149 (13) of the Companies Act, 2013 an independent director is not liable to retire by rotation. They being eligible for appointment have consented to and declared as qualified for such appointment, if made. The Board has recommended the appointment of all the above mentioned directors.

10.3 General body meetings

The date, time and venue of last three Annual General Meetings (AGMs) held and special resolutions passed thereat along with the details of the Extraordinary General Meeting (EGM) held during the year ended March 31, 2014 are as under.

Year ended March 31	AGM/EGM	Location	Date	Time	Special Resolutions passed
2011	25 th AGM	Narada Gana Sabha (Mini Hall) No 314 (Old No 254) T T K Road, Alwarpet Chennai - 600 018	July 28, 2011	11.00 am	Nil
2012	EGM	Sri Krishna Gana Sabha(Mini Hall), No 20,Maharajapuram Santhanam Salai, T.Nagar, Chennai-600 017	March 24, 2012	11.00 am	*mentioned below
2012	26 th AGM	Narada Gana Sabha (Mini Hall) No 314(Old No 254) T T K Road, Alwarpet Chennai - 600 018	July 27, 2012	10.00 am	**mentioned below
2012	Court Con- vened Meeting of the Equity shareholders	Sri Krishna Gana Sabha(Main Hall), No 20, Maharajapur- am Santhanam Salai, T.Nagar, Chennai-600 017	March 25, 2013	11.00 am	***mentioned below
2013	EGM	Narada Gana Sabha (Mini Hall) No 314(Old No 254) T T K Road, Alwarpet Chennai - 600 018	May 31, 2013	10.00 am	****mentioned below
2013	27 th AGM	Narada Gana Sabha (Mini Hall) No 314(Old No 254) T T K Road, Alwarpet Chennai - 600 018	July 25, 2013	10.00 am	Nil

During the year ended March 31, 2014, no special resolution was passed through postal ballot.

All the Special and Ordinary resolutions proposed to be passed at the ensuing AGM shall be passed by way of e-voting and postal ballot as per provisions of Companies Act, 2013

*Special resolutions for alteration of articles of association of the Company for increase in authorised capital and issue of equity shares and warrants on preferential basis to Shriram Capital Ltd were passed in the said EGM. An ordinary resolution for increase in authorised capital was also passed in the said EGM.

**Special resolution approving the applicability of the Employee Stock Option Scheme 2008 of the Company to Subsidiary Company was passed in the said AGM.

***Special Resolutions approving composite Scheme of arrangement among Shriram Retail Holdings Private Limited ("SRHPL"), Shriram Enterprise Holdings Private Limited ("SEHPL") and the Company ("Scheme") under Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956 were passed and the meeting was convened pursuant to an order dated January 28, 2013, passed by the Hon'ble High Court of Judicature at Madras ("High Court") .

****Special Resolutions for alteration of articles of association, issue of securities for an aggregate amount not exceeding ₹ 1,000 crores or equivalent thereof, increase FII investment limits in the Company, approving Employees Stock Option Scheme 2013, approving grant of Employees Stock Option Scheme 2013 to eligible employees of the subsidiary company(ies) were passed in the said EGM. An ordinary resolution for appointment of Sri G S Sundararajan as Managing Director was also passed in the said EGM.

A meeting of Secured Creditors of the Company was convened and held pursuant to an order dated January 28, 2013 passed by the Hon'ble High Court of Judicature at Madras ("High Court") on March 25, 2013 (Monday) at 12.30 pm at Sri Krishna Gana Sabha (Main Hall), No 20, Maharajapuram Santhanam Salai, T. Nagar, Chennai-600 017 and Resolutions by secured creditors of the Company approving the composite Scheme of arrangement among Shriram Retail Holdings Private Limited ("SRHPL"), Shriram Enterprise Holdings Private Limited ("SEHPL") and the Company ("Scheme") were passed pursuant to the provisions of sections 391 to 394, sections 100 to 103 of the Companies Act, 1956.

10.4 Materially significant related party transactions

During the year under consideration, there were no materially significant related party transactions entered into, which were in potential conflict with the interest of the Company at large. The details of related party transactions are presented in note no 26 of the notes to accounts forming part of the annual report.

10.5 Accounting treatment

The Company follows the accounting treatment as prescribed in accounting standard and the details of same appear in notes to accounts section of this annual report.

10.6 Risk management

This annual report has got a detailed chapter on management discussion and analysis on risk management. (Annexure No – 3).

10.7 Proceeds of the public issue

During the year ended March 31, 2014, the Company made a public issue of Secured Redeemable non convertible debentures (NCD) of face value of ₹ 1,000 each aggregating upto ₹ 100 crores with an option to retain over subscription upto ₹ 100 crores for issuance of additional NCDs aggregating to a total upto ₹ 200 crores, which opened for subscription by public on November 25, 2013. The Company retained the additional subscription and allotted NCDs for ₹ 1,53,61,06,000. The utilisation statement is reported in note no 28 of the notes to accounts forming part of this report.

10.8 Details of non compliance and penalties, strictures imposed, if any

There were no instances of non compliance by the Company on any matter relating to capital market during last three years and hence no penalties, strictures were imposed on the Company by stock exchanges or SEBI or any other statutory authority (ies).

10.9 Whistle blower policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting unethical behavior by adopting whistle blower policy in line with clause 49 of the listing agreement with the stock exchanges, for employees to report concerns about unethical behaviour. No person has been denied access to the audit committee.

10.10 Reconciliation of share capital audit

SEBI has mandated reconciliation of share capital audit under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002 and SEBI Circular No. CIR/MRID/DP/30/2010 dated September 06, 2010. Accordingly audit for reconciliation of share capital admitted with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Ltd (CDSL) with the total issued and listed capital has been carried out on a quarterly basis during the year ended on March 31, 2014 by a Practicing Company Secretary appointed by the committee of the Board. The audit has confirmed that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and total number of dematerialised shares with NSDL and CDSL.

10.11 Means of communication

The audited financial results, the quarterly results and half-yearly results of the Company were published in English ('Business Line') and Tamil newspaper ('Makkal Kural') within 48 hours of conclusion of the Board Meetings at which the financial results were approved. The results are also displayed at Company's website www.shriramcity.in. The Company's web site www.shriramcity.in contains a separate section "INVESTOR", where shareholder information is available. The annual report of the Company is also available in the same section of the web site of the Company and is in downloadable form. The Annual Report of the Company containing director's report along with annexure to director's report, stand alone financial statements, consolidated financial statements, auditor's report thereon and other important information are circulated to members and others entitled thereto. The investor complaints are processed in centralized web based complaints redressal system controlled by SEBI known as SEBI Complaint redress system (SCORES). The Company has designated e-mail ids sect@shriramcity.in, scufncd8@shriramcity.in and scufncd10@shriramcity.in exclusively for investor servicing, which also appear in the investor section of the web site of the Company. The Company has also been filing the information related to corporate governance, shareholding pattern, reconciliation of share capital audit and results in the website of NEAPS (National Electronic Application Processing System) viz www.connect2nse.com and on BSE Listing Centre <http://listing.bseindia.com>.

10.12 Details of twenty eighth AGM

a. Date and Time	Monday July 28, 2014 at 10 a m
b. Venue	Narada Gana Sabha ('Mini Hall'), No.314 (Old No 254), T T K Road, Alwarpet, Chennai 600 018.
c. Book Closure	July 22, 2014 – July 28, 2014 (both days inclusive)
d. Dividend	An interim dividend of ₹4.00 per equity share was declared by the board of directors at its meeting held on October 26, 2013 and the payments thereof were effected on November 18, 2013. The payment of final dividend upon declaration by the shareholders at the AGM, will be made on or after August 1, 2014 to those members, whose name appear on the Register of members as on the record date.

10.13 Financial year

The financial year under review was from April 1, 2013 to March 31, 2014. The next financial year is from April 1, 2014 to March 31, 2015.

10.14 Details of listing on stock exchanges

The listing details of the equity shares of the Company (ISIN- INE722A01011) are as under

Name of the Stock Exchange	Stock Code
Madras Stock Exchange Limited (MSE)	SRIRACITUN
BSE Limited (BSE)	532498
National Stock Exchange of India Limited(NSE)	SHRIRAMCIT

10.15 Details of debentures listed on stock exchanges

The secured redeemable non convertible debentures (NCDs) of the Company of face value of ₹ 1,000 each offered for subscription to public under Prospectus dated August 1, 2011, August 31, 2012 and November 18, 2013 are listed on both NSE and BSE. The details of the same NCDs including listing are as under :

Option/ Series	ISIN	Coupon rate (%)	Scrip Code in NSE	Scrip Code in BSE	Date of Allotment	Date of Maturity	Put and Call Option	Remarks
I	INE722A07208	11.60	N1	934820	August 26, 2011	August 25, 2016	Exercisable at the end of 48 months from the date of allotment	
I	INE722A07224	11.85	N2	934822				
I	INE722A07216	12.10	N3	934821				
II	INE722A07232	11.50	N4	934823	August 26, 2011	August 25, 2014	Not Applicable	
II	INE722A07257	11.60	N5	934825				
II	INE722A07240	11.85	N6	934824				
I	INE722A07414	10.60	N7	934857	October 6, 2012	October 6, 2015		Additional Incentive @ 0.90% p.a. to individual NCD holders as on record date
II	INE722A07422	10.75	N8	934858		October 6, 2017		Additional Incentive @ 1.00% p.a. to individual NCD holders as on record date
III	INE722A07430		N9	934859		October 6, 2015		NCD holders (individuals as on record date) gets ₹ 1386.20 per NCD. NCD Holders (Non-Indi- viduals as on record date) gets ₹ 1352.90 . per NCD.
IV	INE722A07448		NA	934860		October 6, 2017		NCD holders (individuals as on record date) gets ₹ 1743.33. per NCD. NCD Holders (Non-Indi- viduals as on record date) gets ₹ 1666.65 per NCD
I	INE722A07455	10.75* & 11.00**	NB	934933	January 4, 2014	January 4, 2017	Not Applicable	
II	INE722A07463	10.75* & 11.25**	NC	934934		January 4, 2018	Not Applicable	
III	INE722A07471	10.75*, 11.50**	ND	934935		January 4, 2019	Not Applicable	
IV	INE722A07489		NE	934936		January 4, 2017		₹ 1,358.41 per NCD Category I ₹ 1,358.41 per NCD Category II ₹ 1,367.63 per NCD Category III ₹ 1,367.63 per NCD Category IV
V	INE722A07497		NF	934937		January 4, 2018		₹ 1,504.44 per NCD Category I ₹ 1,504.44 per NCD Category II ₹ 1,531.79 per NCD Category III ₹ 1,531.79 per NCD Category IV
VI	INE722A07505		NG	934938		January 4, 2019		₹ 1,667.17 per NCD Category I ₹ 1,667.17 per NCD Category II ₹ 1,723.35 per NCD Category III ₹ 1,723.35 per NCD Category IV
VII	INE722A07513	10.75* & 11.25**	NH	934939		January 4, 2019		the face value of Series VII NCD is repayable in three equal tranches of 33.33% of the face value of the Series VII NCD each, which will be paid at the end of 36 months, 48 months and 60 months from the Deemed Date of Allotment respectively.

*for Category I & II, ** for Category III & IV

The Company has paid annual listing fees for the financial year 2013-14 to BSE, MSE and NSE on time.

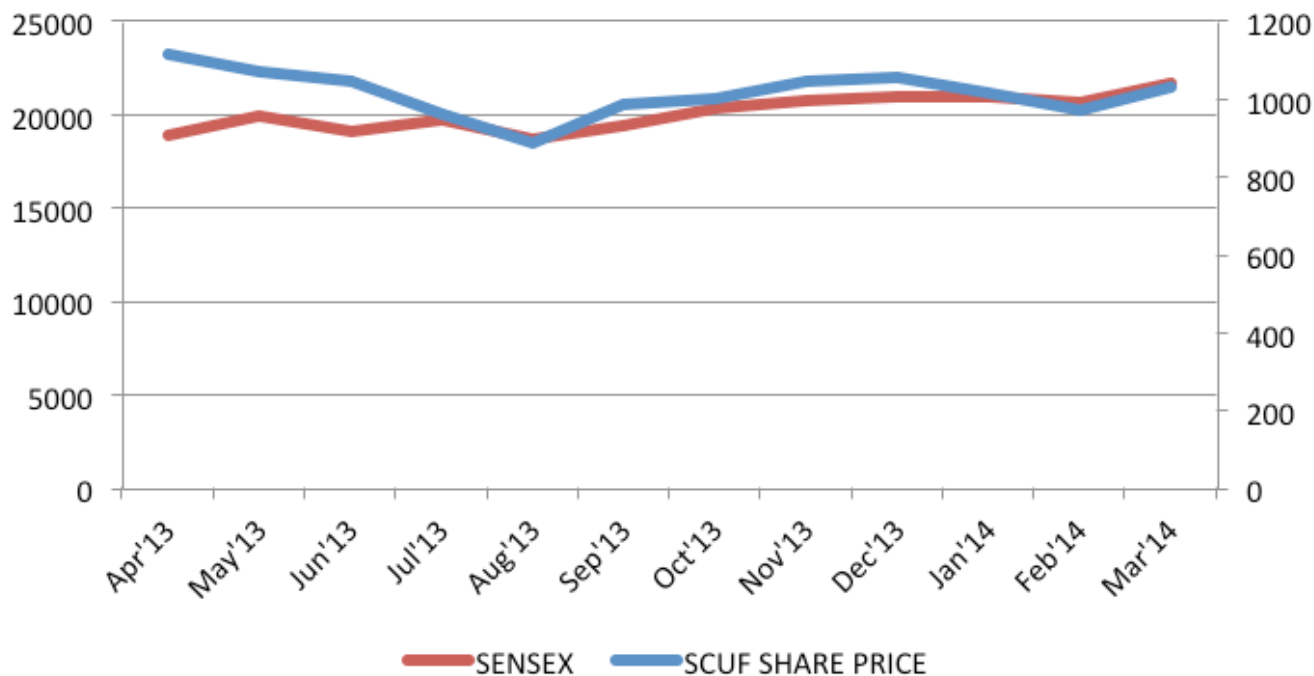
10.16 Stock market price data

The volume, high and low market price of equity shares of the Company traded during each month of the financial year ended March 31, 2014 are given below.

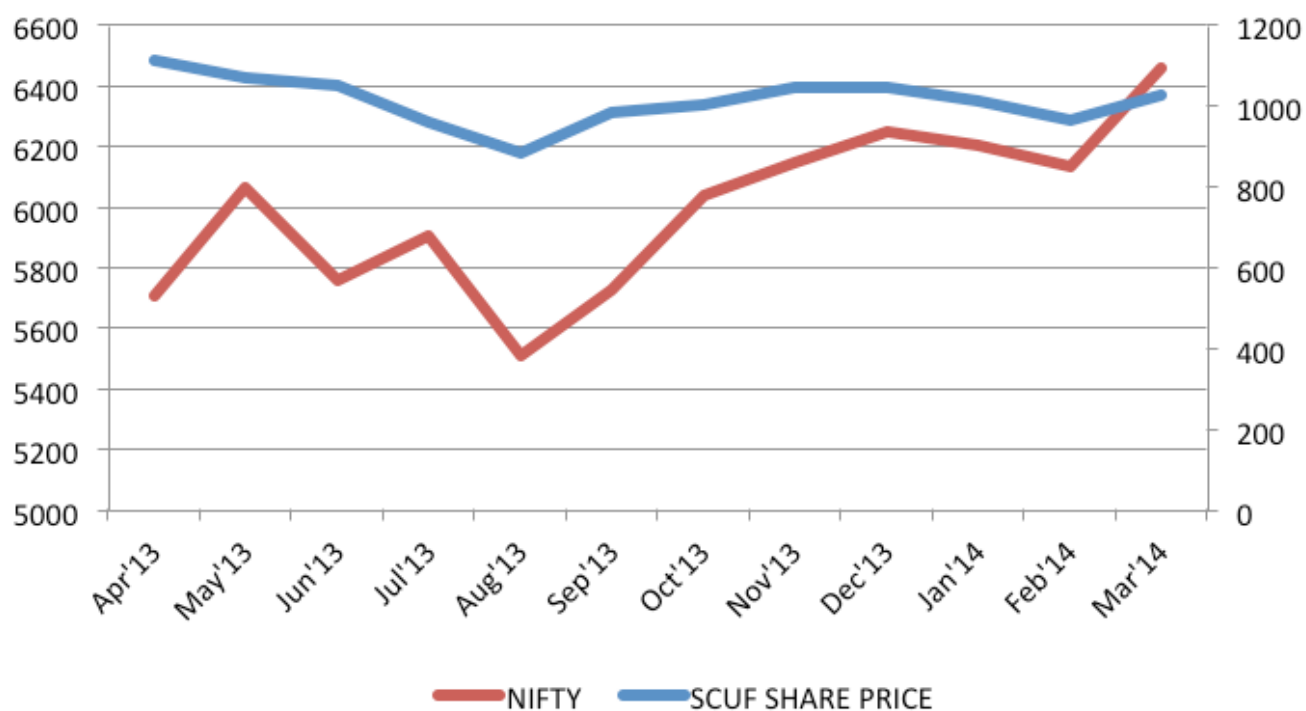
Month	BSE (for the month)			NSE (for the month)		
	Share prices (In ₹ per share)		No of shares traded	Share prices (In ₹ per share)		No of shares traded
	High	Low		High	Low	
April 13	1227.80	1002.05	442580	1225.60	1006.40	871786
May 13	1128.70	1016.00	101482	1131.35	1018.05	538268
June 13	1096.00	999.50	288424	1103.60	999.85	95979
July 13	1015.50	910.00	145130	1013.95	915.05	1140719
Aug 13	914.00	860.15	4215	911.25	860.20	370162
Sep 13	1080.70	894.85	135861	1085.80	890.70	352917
Oct 13	1045.00	957.50	5290	1049.85	958.95	249432
Nov 13	1095.30	997.30	10276	1096.90	997.55	137934
Dec 13	1072.50	1038.25	5656	1067.40	1034.35	250712
Jan 14	1065.00	970.60	32174	1065.00	970.60	252423
Feb 14	992.20	951.25	143345	987.90	949.00	44616
Mar 14	1101.45	955.95	805597	1100.55	961.85	1135896

10.17 Share price performance in comparison to broad based indices (BSE Sensex , NSE Nifty)

Sensex Vs Shriram City share price



Nifty Vs Shriram City share price



10.18 Registrar and Transfer Agents (RTA)

Particulars	Name of the Contact Organisation and address	Type	Contact Person details
Equity Shares & Dividend	Integrated Enterprises (India) Ltd	Registrars and share transfer agents	Name: Ms. Anusha N Telephone No: + 91 44 2814 0801/02/03 Fax No: + 91 2814 2479 Email Id: anusha@integratedindia.in
Public issue of NCDs 2011	2 nd Floor, Kences Towers, No. 1 Ramakrishnan Street, Off North Usman Road,		Name: Mr K Balasubramanian Telephone No: + 91 44 2814 0801/02/03 Fax No: + 91 2814 2479 Email Id: scuf@integratedindia.in
Public issue of NCDs 2012	T.Nagar, Chennai – 600 017		Name: Ms Sneha Jaiswal Telephone No: + 91 33 3250 7069 Fax No: + 91 33 2358 7189 Email Id: scuf_nov13@shriraminsight.com
Public issue of NCDs 2013	Shriram Insight Share Brokers Ltd CK – 5 & 15, Sector II, Salt Lake City , Kolkata- 700 091	Registrars to the Issue	

10.19 Trustees for the debentures

Particulars	Contact Organisation	Type	Contact Person details
Public issue of NCDs 2011	IDBI Trusteeship Services Ltd Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai – 400 001	Trustees to the issue	Name: Ms Swapnali Hirlekar Telephone No: + 91 22 4080 7000 Fax No: + 91 22 6631 1776 Email Id: itsl@idbitrustee.com
Public issue of Non Convertible Debentures 2012	GDA Trusteeship Ltd GDA House, First Floor, Plot No. 85, S No. 94 & 94, Bhusari Colony (Right), Kothrud, Pune -411038		Name: Mr R K Kulkarni Telephone No: + 91 20 2528 0081 Fax No: + 91 20 2528 0275 Email Id: dt@gdatrustee.com
Public issue of Non Convertible Debentures 2013			Name: Ms Neelam Mundada Telephone No: + 91 20 2528 0081 Fax No: + 91 20 2528 0275 Email Id: dt@gdatrustee.com

10.20 Share transfer system:

Transfer of shares held in dematerialised form are done through the depositories with no involvement of the Company. Transfer of shares existing in physical form are processed and duly endorsed share certificates are issued within stipulated time subject to documents lodged being valid. The transfer documents can be lodged with RTA at the above mentioned address for transfer of shares existing in physical form. The Board of Directors of the Company has delegated the authority to approve transfer, transmission etc of shares and securities of the Company to its Securities Management Committee (Formerly known as Debt Issuance Committee, Debenture Allotment Committee, Equity Allotment Committee, ESOP Allotment Committee, Share Transfer Committee). As stipulated under clause 47 (c) of the listing agreement with stock exchanges, the Company obtained half yearly certificates of compliance for share transfer formalities from Ms Revathi Sridharan, Company Secretary in practice and filed a copy of the said certificates with stock exchanges during the financial year 2013 - 14. There were no deviations reported in the said certificates.

10.21 Distribution of shareholding as at March 31, 2014

No. of equity shares held	Shareholders		Shares	
	Number	%	Number	%
Upto 500	4837	90.28	489534	0.83
501 - 1000	262	4.89	186553	0.31
1001 - 2000	98	1.83	141940	0.24
2001 - 3000	32	0.60	78978	0.13
3001 - 4000	12	0.22	43028	0.07
4001 - 5000	12	0.22	55817	0.09
5001 - 10000	23	0.43	174859	0.29
10001 and above	82	1.53	58113723	98.04
Total	5358	100.00	59284432	100.00

10.22 Shareholding pattern (in %) as at March 31, 2014

Promoters	Banks	NRIs	Mutual Funds	Foreign Companies	FII	Trusts	Others	Total
37.56	0.16	0.08	2.82	27.98	25.31	1.75	4.34	100.00

10.23. Dematerialisation of shares and liquidity

The Company's equity shares are tradable compulsorily in dematerialised form in the stock exchanges. The connectivity with NSDL and CDSL is established through the RTA. As on March 31, 2014, 5,89,72,711 nos of equity shares (99.47 % of the shares), exist in dematerialised form. The Company's shares are liquid and are actively traded in both NSE and BSE.

10.24 Outstanding GDR/ADR/Convertible warrants, conversion date and impact on equity

The Company has not issued any GDRs / ADRs. The Company has granted stock options to the eligible employees of the Company under Employees Stock Option Scheme, 2006. The details of the scheme are set out under annexure to Directors' Report.

10.25 Location

The company is in the business of Non Banking Finance and operates through various offices in India. The list of locations are mentioned in this Annual Report in the section titled as Presence : Business Outlets.

10.26 Address for correspondence

Registered Office :123, Angappa Naicken Street, Chennai 600 001, Ph: +91 44 25341431

Secretarial Office :144, Santhome High Road, Mylapore, Chennai 600 004.

Ph : +91 44 4392 5300 Fax No : +91 44 4392 5430 Email : sect@shriramcity.in

10.27 Calendar for the financial year 2014 – 2015 (tentative)

Annual General Meeting	September, 2015
Unaudited results for the quarter ending June 30, 2014	Last week of July, 2014
Unaudited results for the quarter / half –year ending September 30, 2014	Last week of October, 2014
Unaudited results for the quarter ending December 31, 2014	Last week of January, 2015
Audited results for the year ending March 31, 2015	Last week of May, 2015

10.28 Adoption of mandatory and non mandatory requirements under clause 49 and Annexure I D to the said clause

The Company has complied with all mandatory requirements as per clause 49 of the listing agreement with stock exchanges and has adopted the following non mandatory requirements as mentioned in Annexure I D of the said clause.

Remuneration committee : The Company has constituted a remuneration committee. The same has been re-named as Nomination and Remuneration Committee as per the requirement of Companies Act, 2013 with terms of reference, the brief of which are mentioned above.

- (i) Shareholders rights :The communication with shareholders are made as mentioned above as “means of communication” (point no.10.11 of this report).
- (ii) Audit qualification : The report of the auditors of the Company does not contain any qualification on the financial statements.
- (iii) Training of the Board : The members of the Board are provided with necessary documents, reports, information to familiarise them with the Company’s business, procedures and practices. Periodic presentations are made at Board and Committee meetings on business, performance, risks, strategies updates of the Company. Quarterly updates on statutory compliances are also made.
- (iv) Whistle blower policy :The Company has implemented whistle blower policy.

11. CEO AND CFO CERTIFICATION

The Chief Executive Officer (CEO) and Managing Director (MD) and Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal control to the Board in terms of Clause 49 (V) of the listing agreement with stock exchanges. The said certificate issued for the year ended on March 31 ,2014 is attached to this report (Annexure No – 6). The MD and CFO also issue certificate on financial results every quarter, while placing the quarterly financial results before the Board of Directors in terms of clause 41 of the listing agreement with stock exchanges.

12. COMPLIANCE CERTIFICATE FROM THE AUDITORS REGARDING CORPORATE GOVERNANCE BY THE COMPANY

Certificate from the auditors of the Company, M/s Pijush Gupta & Co, Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated under clause-49 of the listing agreement with stock exchanges is attached to this report (Annexure No- 7).

13. PROFILE OF DIRECTORS OPTING TO BE REAPPOINTED AT THE ENSUING ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 IV (G) OF THE LISTING AGREEMENT

Sri Puneet Bhatia (DIN – 00143973)

Mr. Puneet Bhatia, holds a Bachelor's of Commerce (Honours course) from Shri Ram College of Commerce, Delhi and a post graduate diploma in Management from the Indian Institute of Management, Calcutta. Mr. Bhatia is presently working as the Managing Director and Country- Head India for TPG Asia. From 1990 to 1995, he was with ICI- CI Limited in the project and corporate finance group and thereafter worked as a senior analyst with Crosby Securities for a year. From 1996 to 2002 he was the Chief Executive of the Private Equity Group GE Capital India, where he managed a portfolio of numerous companies. Mr. Bhatia serves on the Board of Shriram Transport Finance Company Limited, Shriram Capital Limited, TPG Capital India Private Limited, TPG Wholesale Private Limited, Shriram Properties Private Limited and Flare Estate Private Limited. He does not hold any shares in the Company.

Sri Ranvir Dewan (DIN – 01254350)

Mr. Ranvir Dewan holds a degree of Bachelor of Commerce (honours course) from the University of Delhi. He is a Fellow of the Institute of Chartered Accountants in England & Wales (FCA) and a member of the Institute of Chartered Accountants Ontario. Mr. Dewan has immense knowledge in the field of Accounts and audit. He is working in TPG Capital as head of Financial Institutions Group Operations since June 2006 and is based in Singapore. He was Executive Vice president and CFO of standard Chartered First bank in Seoul, Korea. He spent 13 years at Citibank and held various senior positions in its international businesses. In his previous assignment, he was Vice President and Regional Financial Controller of Citibank's Global Consumer Bank with responsibilities covering 11 countries in the Asia Pacific Region. He held senior positions with KPMG in Canada and England where he specialized in the Audits of financial institutions. Mr. Dewan is an advisor of Taishin Financial holdings. He serves on the Boards of PT Bank Tabunean Pensiunan Nasional (Indonesia), TPG Asia V Amber Pte. Ltd, TPG Markets Amber VI Pte. Ltd, TPG VI Amber Pte. Ltd and Thai Retail Credit Bank, (Bangkok). He is a member of Audit & Risk Committee in PT Bank Tabunean Pensiunan Nasional (Indonesia). He does not hold any shares in the Company.

Sri Subramaniam Krishnamurthy (DIN – 00140414)

Mr. Subramaniam Krishnamurthy holds a degree of Bachelor of Arts from the University of Madras, a Commercial Education Diploma in specialized banking from the Indian Merchants' Chamber, a Diploma in Industrial Relations & Personnel Management (IR&PM) from Bharatiya Vidya Bhavan, a degree of Bachelor of General Law from the University of Mysore and a degree of Master of Labour Studies from the Madurai Kamaraj University. He is an associate of the Indian Institute of Bankers. He has previously held the post of Banking Ombudsman, Chennai for approximately fifteen months. Mr. Krishnamurthy is a senior Banker with extensive experience of over 4 decades with the Reserve Bank of India and Commercial Banks. He was the Chairman and CEO of Tamilnadu Mercantile Bank, Tuticorin for over 5 years and served as General Manager (Vigilance & Inspection/Audit) with Indian Overseas Bank, Chennai for 5 years. He was Banking Ombudsman, Chennai for around two years. He serves on the Board of Kerala Ayurveda Ltd., Take Solutions Ltd, Shriram EPC Ltd. and Shriram Mutual Fund (Board of Trustees). He is a Chairman of the Audit Committee and a member of Remuneration Committee of Kerala Ayurveda Limited, Member of Audit and Banking and Borrowing Committee of Take Solutions Limited, Member of Audit Committee, Borrowing Committee and Investment Committee of Shriram EPC Limited. He does not hold any shares in the Company.

Sri Pranab Prakash Pattanayak (DIN – 00506007)

Mr. Pranab Prakash Pattanayak holds a degree of Bachelor of Arts from Utkal University and a Master of Arts degree from Utkal University. He has 37 years of experience in Banking and Financial services sector. Prior to retirement, he was the Managing Director of State Bank of Mysore from 2006 to 2009. He had also held the office of the Managing Director of State Bank of Travancore. He served as the Dy Managing Director and Chief Credit Officer of State Bank of India. During his thirty seven years of service in five banks of the State Bank, he held senior management positions, both in India and abroad, in areas like commercial banking, project finance, international banking, funds & treasury operations. He was also the Dy.

M.D. and head of SBI Global IT Centre, Belapur. During his tenure at State Bank of India, Singapore, as Manager Credit and operations, he handled the bank's funding operations, forex settlements, asset liability management, trade finance and regulatory compliance. He served as Director of SBI Factors Ltd., SBI DFHI Ltd., and C- Edge Technologies Ltd. Currently Mr. Pattanayak serves on the Board of India Infoline AMC Ltd. He is a member of the rating committee of Credit Analysis and Research Limited. He does not hold any shares in the Company.

Sri Venkataraman Murali (DIN – 00730218)

Sri V Murali holds a degree of Bachelor of Commerce from the Vivekananda College, Chennai. He is a Fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Cost & Works Accountants of India. Mr. V. Murali is the Senior Partner of M/s Victor Grace & Co., Chartered Accountants, Chennai. He has to his credit more than three decades of experience in the areas of Finance, Accounts & Consultancy. He is elected as a Central Council Member of ICAI for three terms in succession for the periods 2004-2013. He is at present Chairman of the Board of Studies, Chairman of the Committee on Banking, Insurance and Pension, Vice Chairman of the Ethical Standards Board and a member of various committees constituted by ICAI. He was nominated as 'Technical Expert' by the Comptroller and Auditor General of India, New Delhi on the Audit Boards of Power Finance Corporation Limited and Rural Electrification Corporation Limited. He was a director on the Board of State Bank of Hyderabad and was the Chairman of its Audit Committee. He serves on the Board of Andhra Chamber of Commerce, Hindustan Chamber of Commerce, Witzemann (India) Pvt Ltd, Shriram Housing Finance Limited, Hindustan Insecticides Limited, Garuda Vaayu Shakthi Limited. He is a Member of the Audit Committee of Witzemann (India) Private Limited, Chairman of Audit Committee of Shriram Housing Finance Limited, Member of Executive Committee of Tamil Chamber of Commerce and Madras Chamber of Commerce. He does not hold any shares in the Company.

Smt. Lakshmi Pranesh (DIN – 03333412)

Ms. Lakshmi Pranesh holds a degree of Bachelor of Science from the University of Madras and Master of Science (Mathematics) from the University of Madras. She joined the Indian Administrative Service in 1968 and

held posts like sub collector, Director of Social Welfare, Director of Employment and Training, Joint Secretary to Government (Finance department), Additional Secretary to Government (Rural Development Department), Chairman - Teachers' recruitment Board, Chairman Handicrafts Development Corporation Secretary to Government of Tamil Nadu in the departments of Chief Minister's Nutritious Noon Meal Programme, Personnel and Administrative Reforms, Labour and Employment, Social welfare, Food and Civil Supplies. She was the chief secretary to the Government of Tamil Nadu (2002-05). She was ex-officio Chairman of the Tamil Nadu Civil Supplies Corporation, Overseas Manpower Corporation and Women's Economic Development Corporation. She has served as Government nominated director in many corporations in the public sector like the Tamil Nadu Industrial Development Corporation, Small Industries Development Corporation, Police Housing Corporation and Agro Industries Corporation. She participated in many international conferences dealing with subjects like rural development, gender equity, micro-credit, disaster management and labour welfare. Presently, she does not hold directorship or membership in any other company. She does not hold any shares in the Company.

Sri Sunil Varma (DIN – 01020611)

Mr. Sunil Varma holds a degree of bachelor of Arts from Panjab University. He is a fellow of the Institute of Chartered Accountants of India and an associate of the Institute of Cost and Works Accountants in India. A business consultant with a long and distinguished career, Mr. Varma has extensive consulting experience spanning over 30 years with Price Water house Management Consultants and the IBM Consulting Group in India and Overseas. He has worked in Australia, India, Indonesia, Hong Kong, Thailand, China and other countries in Africa and the Asia-Pacific region. During his 25 year tenure with Price Waterhouse (now Price Water house Coopers) he headed the consulting practice in Indonesia between 1978 and 1984. Thereafter, he was the Vice-President of the regional/ transnational practice of Price Water house in Asia Pacific until he joined IBM Global Services as the regional advisor to their consulting group in 1994. Mr. Varma has advised large multinational as well as domestic companies in the areas of Corporate Governance, Financial Management, Organizational Strengthening, Efficiency Improvements, Process Re-engineering and Business Sys-

tems. The industries to which his expertise extends include Information Technology, Oil and Gas, Fertilizers and Chemicals, Power and Steel. He has handled several very large assignments for PSUs funded by the World Bank, Asian Development Bank and other multi-lateral funding agencies. He officiated as CFO, HCL-Perot Systems and MD, Asia Online Ltd., Hong Kong. He serves on the board of International Asset Reconstruction Company Pvt Ltd., HKT Limited (listed in Hong Kong) and HKT Management Limited (listed in Hong Kong). He is Chairman of the Audit Committee of International Asset Reconstruction Company Private Limited and HKT Ltd. and HKT Management Limited. He does not hold any shares in the Company.

Sri Vipen Kapur (DIN – 01623192)

Mr. Vipen Kapur holds a degree of Bachelor's of Commerce from University of Madras. He is an associate of the Institute of Bankers. He has rich and varied experience in the International Banking sector. He has served in Grindlays Bank (now Standard Chartered Bank) in various departments with specializations in Corporate Banking and Finance. He was also a Vice President and Head of the New Delhi Branch of Bank of America and gained experience in dealing with large Indian and multinational borrowers. He has served with two major Middle East banks including an affiliate of Chase Manhattan Bank (now JP Morgan Chase) in Corporate Banking and Syndications. Mr. Vipen Kapur was also the COO at Al Rushaid Group, overseeing various joint ventures, real estate operations, trading activities and international investments. He has served with the Sinar Mas Group of Indonesia as Group Managing Director. He was the President and CEO of New Quest Corporation Pvt. Ltd., the parent company of the Ballarpur Group and was responsible for business rationalization and new ventures. He is presently director on the Board of Shriram General Insurance Company Limited. He does not hold any shares in the Company.

ANNEXURE 5

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

I hereby confirm that the Company has obtained from all the members of the Board and designated senior management employees of the Company affirmation that they have complied with code of conduct of the Company during the year ended March 31, 2014.

Place : Chennai

Date : April 30, 2014

R.Duruvasan

Managing Director and CEO

ANNEXURE 6

CEO / CFO CERTIFICATION

To,

The Board of Directors

Shriram City Union Finance Limited

Chennai

We, R Duruvasan, Managing Director and Chief Executive Officer and Subhasri Sriram, Executive Director and Chief Financial Officer of Shriram City Union Finance Limited to the best of our knowledge and belief, certify that

- (i) we have reviewed the Balance Sheet as at March 31, 2014 and Statement of Profit and Loss for the year ending on same date, Cash Flow statement as on the same, notes there to (together known as financial statements) and Directors' report.
- (ii) these financial statements do not contain any materially untrue statement or omit any material fact or they contain statements that might be misleading.
- (iii) these financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (iv) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

- (v) we accept responsibility for establishing and maintaining internal controls for financial reporting.
- (vi) we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.
- (vii) there are no deficiencies in the design or operation of internal controls which are to be disclosed to the auditors and/or to the audit committee.
- (viii) We have indicated to the auditors of the Company and the audit committee that there were
 - a) no significant changes in internal control over financial reporting during the year covered by this report;
 - b) no significant changes in accounting policy has been made during the year covered by this report;
 - c) no significant instances of fraud detected during the year ending March 31, 2014.

Subhasri Sriram
Executive Director and Chief Financial Officer

R Duruvasan
Managing Director and Chief Executive Officer

Place : Chennai

Date : April 30, 2014

AUDITORS' CERTIFICATE

PIJUSH GUPTA & CO

CHARTERED ACCOUNTANTS

P-199, C.I.T.ROAD ,SCHEME IV-M, KOLKATA –700 010

To

The Members of

Shriram City Union Finance Limited

We have examined the compliance of conditions of Corporate Governance by Shriram City Union Finance Ltd (“the Company”) for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges .

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Pijush Gupta & Co.**

Firm Registration No. 309015E

Chartered Accountants

Ramendra Nath Das

Partner

Membership No. 014125

Place : Chennai

Date : April 30, 2014

ANNEXURE 8

INDEPENDENT AUDITOR'S REPORT

PIJUSH GUPTA & CO

CHARTERED ACCOUNTANTS

P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA –700 010

To the Members of

SHRIRAM CITY UNION FINANCE LIMITED

We have audited the accompanying financial statements of SHRIRAM CITY UNION FINANCE LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and the Cash Flow Statement respectively for the year then ended and a summary of significant accounting policies and other explanatory information incorporated in the Schedules and Notes to Accounts.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of Internal Control relevant to the preparation of the financial statements that give a true view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the profit/loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2005 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Pijush Gupta & Co.

Firm Registration No: 309015E

Chartered Accountants

Ramendra Nath Das

Partner

Membership No: 014125

Place: Chennai

Date: April 30, 2014

ANNEXURE TO AUDITOR'S REPORT

Re: SHRIRAM CITY UNION FINANCE LIMITED ("the company")

Financial Year Ended March 31, 2014

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) According to the information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
(c) There was no disposal of substantial part of its fixed assets during the year.
- II. The Company is engaged in financing activities which does not involve maintenance of any inventory.
- III. As per the information and explanations given to us the Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 (the Act).
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of fixed assets. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas. There is no sale of goods or service or purchase of inventory.
- V. According to the information and explanations provided by the management there are no contracts or arrangements referred to in Section 301 of the Act, the particulars of which need to be entered into the register maintained under the said Section.
- VI. In respect of deposits accepted, in our opinion and according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. According to the information and explanation given to us, no order has been passed by the Company Law Board, the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard in respect of the Company.
- VII. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- VIII. According to the information and explanations given to us the Central Government has not prescribed maintenance of cost records for the Company under Section 209(1)(d) of the Act.
- IX. (a) According to the information and explanations provided to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, service tax, income tax, and other material statutory dues applicable to it and there are no dues payable in respect of Employees' State Insurance, Investor Education and Protection Fund, Excise duty, Custom Duty and Sales Tax, Cess and any other statutory dues with appropriate authorities.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding at the year-end for a period of more than six months from the date they became payable.

Name of the statute	Nature of dues	Amount (₹ in lacs)	Years to which the amount relates	Pending with
Income Tax Act				
	1) Income tax on demands against disallowance of certain expenses, including ESOP, Provision for Bad Debts, Royalty, Transfer to Reserve Funds etc.	3,742.88	Assessment Year 2011-12	C.I.T. (Appeal)
	2) Income tax on demands against disallowance of certain expenses, including ESOP, Provision for Bad Debts, Royalty, Transfer to Reserve Funds etc.	1,625.08	Assessment Year 2010-11	C.I.T. (Appeal)
	3) Penalty against amount transferred to Reserve Funds.	1,106.48	Assessment Year 2008-09	C.I.T. (Appeal)
	4) Income tax on demands against income from Securitizations and disallowance u/s 40(a) (ia); earlier assessment order reopened.	3,918.88	Assessment Year 2007-08	C.I.T. (Appeal)
Kerala Value Added Tax				
	1) Demand on account of sale of Seized vehicle	4.65	Assessment Year 2007-08	Dy C.I.T (Appeal)

(c) On the basis of information and explanations given to us and the relevant documents produced before us, the following dues have not been deposited on account of dispute –

- X. The Company has no accumulated losses at the end of financial year and has not incurred cash losses in the current and immediately preceding financial year.
- XI. Based on our audit procedures and as per information and explanations given by the management, it appears that the Company has not defaulted in the repayment of dues to banks, financial institutions or debenture holders.
- XII. From our examination of books and records and according to the information and explanations given to us, it appears that adequate documents and records are maintained in cases where Company has granted loans and advances on the basis of security by way of pledge of shares and other securities.
- XIII. In our opinion the company is not a chit fund or a nidhi/mutual benefit fund/society.
- XIV. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities and debentures and other investments.
- XV. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- XVI. In our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were, prima facie, applied by the company during the year for the purposes for which the loans were obtained other than funds temporarily parked pending utilization of the funds for the intended use.
- XVII. According to the information and explanations given to us, and on overall examination of the books and records of the company and considering the nature of the business and activity being carried on, we report that no funds raised on short term basis have been used for long term investment.
- XVIII. The company, during the year has not made any preferential allotment of equity shares and convertible warrants to parties and companies covered in the registrar maintained under section 301 the Act.
- XIX. According to the information and explanations given to us, during the period, the Company has created charge in respect of secured debentures issued.
- XX. The company has disclosed the end use of money raised by public issues in the Notes to accounts and the same has been verified by us
- XXI. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud on or by the company has been noticed or reported during the course of our audit.

For Pijush Gupta & Co.

Firm Registration No: 309015E

Chartered Accountants

Ramendra Nath Das

Partner

Membership No: 014125

Place: Chennai

Date: April 30, 2014

BALANCE SHEET AS AT MARCH 31,

		₹ in lacs	
	Notes	2014	2013
I. Equity and Liabilities			
1. Shareholders' funds			
(a) Share capital	3	5,928.44	5,541.63
(b) Reserves and surplus	4	2,83,898.71	2,15,374.34
(c) Money received against share warrants		-	4,361.50
		2,89,827.15	2,25,277.47
2. Non-current liabilities			
(a) Long-term borrowings	5	8,93,035.28	8,27,591.75
(b) Other long-term liabilities	6	37,234.81	40,054.18
(c) Long-term provisions	7	5,677.13	3,854.53
		9,35,947.22	8,71,500.46
3. Current liabilities			
(a) Short-term borrowings	8	38,355.37	1,60,228.56
(b) Other current liabilities	6	3,42,393.13	3,53,946.92
(c) Short-term provisions	7	31,790.11	26,385.27
		4,12,538.61	5,40,560.75
Total		16,38,312.98	16,37,338.68
II. ASSETS			
1. Non-current assets			
(a) Fixed assets:			
(i) Tangible assets	9	9,126.33	8,715.59
(ii) Intangible assets	9	1,016.16	121.11
(b) Non-current investments	10	16,845.45	7,301.45
(c) Deferred tax assets	11	1,803.67	1,882.98
(d) Long-term loans and advances	12	4,22,572.49	3,36,901.22
(e) Other non-current assets	13	12,559.58	25,533.74
		4,63,923.68	3,80,456.09
2. Current assets			
(a) Current investments	14	45,910.00	-
(b) Cash and bank balances	15	2,47,288.54	2,17,746.04
(c) Short-term loans and advances	12	8,62,773.33	10,15,510.14
(d) Other current assets	13	18,417.43	23,626.41
		11,74,389.30	12,56,882.59
Total		16,38,312.98	16,37,338.68
Summary of significant accounting policies	2.1		
Other notes to accounts	23 to 38		

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

As per our report even date

For Pijush Gupta & Co.

Firm Registration No: 309015E

Chartered Accountants

Ramendra Nath Das

Partner

Membership no: 014125

Place: Chennai

Date: April 30, 2014

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

R.Duruvasan

Managing Director

G.S.Sundararajan

Managing Director

C R Dash

Company Secretary

Statement of Profit and Loss for the year ended March 31,

		₹ in lacs	
	Notes	2014	2013
Revenue from operations	16	3,17,349.92	3,07,147.29
Other income	17	6,512.74	1,154.10
Total Revenue		3,23,862.66	3,08,301.39
Expenses			
Employee benefits expense	18	27,076.37	22,394.27
Finance costs	19	1,35,070.54	1,41,047.51
Depreciation and amortization expense	9	2,955.25	2,440.50
Other expenses	20	42,354.77	37,431.89
Provisions & write offs (net)	21	38,419.37	38,422.20
Total expenses		2,45,876.30	2,41,736.37
Profit before tax		77,986.36	66,565.02
Tax expense:			
- Current tax		23,037.33	22,172.06
- Deferred tax		12.26	(568.54)
- Tax of earlier years		2,822.45	-
Total tax expense		25,872.04	21,603.52
Profit after tax from continuing operations		52,114.32	44,961.50
Earnings per equity share	22		
Equity shares of par value ₹10/- each			
Basic (₹)		89.76	85.61
Diluted (₹)		89.53	83.00

Summary of significant accounting policies [2.1](#)

Other notes to accounts [23 to 38](#)

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

As per our report even date

For Pijush Gupta & Co.

Firm Registration No: 309015E

Chartered Accountants

Ramendra Nath Das

Partner

Membership no: 014125

Place: Chennai

Date: April 30, 2014

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

R.Duruvasan

Managing Director

G.S.Sundararajan

Managing Director

C R Dash

Company Secretary

Cash flow statement for the year ended March 31,

	₹ in lacs	
	2014	2013
Cash flow from Operating activities		
Net profit before taxation	77,986.36	66,565.02
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	2,955.25	2,440.50
Loss on sale of fixed assets	27.90	8.92
Employees stock option compensation expenses	-	-
Public issue expenditure for non-convertible debentures	575.41	378.11
Provision for non performing assets and bad debts written off	38,603.19	37,775.41
Contingent provision on standard assets	(189.53)	627.09
Provision for hedging contracts	(486.75)	-
Provision for diminution in the value of investments	5.71	1.77
Other Income written back	(470.18)	-
Provision for gratuity	(56.61)	802.48
Provision for leave benefits	275.46	40.39
Net gain on sale of current investments	(4,115.77)	(719.47)
Interest income on current and long term investments and interest income on fixed deposits	(1,640.41)	(406.29)
Dividend Income	(5.00)	-
Operating profit before working capital changes	1,13,465.03	1,07,513.93
Movement in Working capital:		
(Increase) / decrease in assets under financing activities	40,321.09	(2,95,290.38)
(Increase) / decrease in Short-term loans and advances	(4,802.85)	(2,339.11)
(Increase) / decrease in Long-term loans and advances	676.77	(3,600.73)
(Increase) / decrease in other current assets	5,561.33	8,680.33
(Increase) / decrease in other non-current assets	5,829.72	5,234.10
Increase / (decrease) in other current liabilities	(11,083.61)	71,218.19
Increase / (decrease) in other non-current liabilities	(2,819.37)	(4,537.43)
Cash generated from operations	1,47,148.11	(1,13,121.10)
Direct taxes paid (net of refund)	(26,164.12)	(22,380.80)
Net Cash flow from/(used in) operating activities (A)	1,20,983.99	(1,35,501.90)
Cash flow from Investing activities		
Investment in fixed deposits (having maturity of more than three months)	(89,762.50)	(237.50)
Investment in margin money deposits	7,670.56	(13,168.81)
Purchase of fixed and intangible assets	(3,382.39)	(6,044.21)
Proceeds from sale of fixed assets	23.47	12.41
Purchase of investments	(45,910.00)	(5,520.00)
Investment in subsidiary company	(9,544.00)	-
Proceeds from sale of investments (net)	4,115.77	719.47
Interest received on current and long term investments and interest on fixed deposits	1,640.41	406.29
Dividend received	5.00	-
Net cash flow from/(used in) investing activities (B)	(1,35,143.68)	(23,832.35)

Cash flow statement for the year ended March 31,

	₹ in lacs	
Cash flow from financing activities	2014	2013
Proceeds from issue of equity share capital including securities premium and share application money	13,036.47	12,239.19
Increase / (decrease) of long-term borrowings	65,443.53	1,96,190.77
Increase / (decrease) of short-term borrowings	(1,21,873.19)	36,447.53
Public issue expenses for non-convertible debentures paid	(1,468.32)	(704.71)
Dividend Paid	(5,880.22)	(3,410.44)
Tax on dividend	(999.34)	(553.26)
Cash and bank balance received on account of merger with SRHPL	5,666.33	-
Net Cash flow from/(used in) financing activities (C)	(46,074.74)	2,40,209.08
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(60,234.44)	80,874.83
Cash and cash equivalents at the beginning of the year	1,76,463.45	95,588.62
Cash and cash equivalents at the end of the year	1,16,229.01	1,76,463.45

Component of cash and cash equivalents	For the year ended March 31,	
	2014	2013
Cash on hand	6,231.07	6,127.61
Balances with banks:		
Current accounts	21,564.59	36,707.42
Balance in unpaid dividend accounts	-	38.42
Bank deposits with maturity of less than 3 months	88,433.35	1,33,590.00
Total Cash and cash equivalents	1,16,229.01	1,76,463.45

Summary of significant accounting policies [2.1](#)

Other notes to accounts [23 to 38](#)

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

As per our report even date

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

For Pijush Gupta & Co.

Firm Registration No: 309015E

Chartered Accountants

R.Duruvasan

G.S.Sundararajan

Managing Director

Managing Director

Ramendra Nath Das

Partner

Membership no: 014125

C R Dash

Place: Chennai

Company Secretary

Date: April 30, 2014

Notes forming part of the Financial Statements for the year ended March 31, 2014

1. Corporate information

Shriram City Union Finance Limited (the company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange Ltd. (BSE), National Stock Exchange of India Ltd.(NSE) and Madras Stock Exchange Ltd.(MSE). The company is a Deposit Accepting Non Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI). The company operates in India.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 as amended, the relevant provisions of the Companies Act, 1956 and the guidelines issued by RBI as applicable to NBFCs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year, except the changes in accounting policy mentioned below.

2.1 Summary of significant accounting policies

a. Change in accounting policy

Presentation and disclosure of financial statements

During 2011-12, the revised Schedule VI notified under the Companies Act 1956, became applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

b. Current / Non-current classification of assets / liabilities

Pursuant to applicability of Revised Schedule VI on presentation of financial statements for 2011-12; the Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/liabilities are classified as non current.

c. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the date of the financial statements and results of operations during the reporting year end. Although these

estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates are recognised in current and future years.

d. Tangible fixed assets

Fixed assets, are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price and directly attributable cost for bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenditure is incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

e. Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

f. Depreciation on tangible fixed assets

Depreciation on fixed assets is provided on Straight Line Method (SLM) by using the rates arrived at based on the useful lives estimated by the management, which are greater than or equal to the rates prescribed under the Schedule XIV to the Companies Act, 1956.

Leasehold improvements are amortised on SLM over the primary period of lease subject to a maximum of 60 months. All fixed assets individually costing Rs 5,000 or less are fully depreciated in the year of installation. Depreciation on assets acquired /sold during the year is recognised on a prorata basis in the Statement of Profit and Loss till the date of sale or from the date of acquisition.

g. Depreciation on intangible assets

Amortisation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the intangible asset. The company has used the following rate to, provide depreciation on the intangible assets.

	Rates (SLM)
Computer software	33.33%

Amortisation on assets acquired/sold during the year is recognised on prorata basis in the Statement of Profit and Loss till the date of sale or from the date of acquisition.

h. Impairment of assets

The company assesses at each balance sheet date if there is an indication of impairment of any asset. If any indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is greater of net selling price and value in use of the asset. Where the carrying amount of an asset is more than its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The value in use is the estimated future cash flows discounted to their present value at pre-tax discount rate which reflects current market assessment of the time value of money and risk specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each Balance Sheet date about existence or decrease of previously recognised impairment losses. If such indication exists, the company estimates the asset's recoverable amount. A previously recognised impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

i. Capital advances

Capital advances are advances given for procurement of fixed assets. Company does not expect to realise them in cash and over a period of time these advances get converted into fixed assets which are non-current by nature. Therefore irrespective of when the fixed assets are expected to be received such advances are disclosed under "long-term loans and advances".

j. Borrowing costs

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to till the date of sale or from the date of acquisition in the year in which they are incurred.

k. Investments

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

l. Provision/write off of assets

Non performing loans are written off / provided for, as per estimates of management, subject to the minimum provision required as per Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Provision on standard assets is made as required under Reserve Bank of India (RBI) notification No. DNBS.222/CGM (US-2011) dated January 17, 2011.

m. Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the date of balance sheet and loans securitised.

n. Leases

Where the Company is the lessor

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

o. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The revenue recognition are as under:

(i) Income from financing activities is recognised on the basis of internal rate of return.

(ii) Additional finance charges / additional interest are treated to accrue on realisation due to uncertainty of its realisation.

(iii) Income apportioned on securitisation/direct assignment of loan receivables arising under premium structure is recognised over the tenure of securities issued by SPV/ agreements. Interest spread under par structure of securitisation/direct assignment of loan receivables is recognised on realization over the tenure of the 'securities issued by SPV' / agreements. Loss/expenditure, if any, in respect of securitisation /direct assignment is recognised upfront.

Notes forming part of the Financial Statements for the year ended March 31, 2014

(iv) The prudential norms for income recognition prescribed under Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 are followed.

(v) Income from services is recognised as per the terms of the contract on accrual basis.

(vi) Interest Income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vii) Dividend is recognised as income when right to receive payment is established by the date of balance sheet.

(viii) Profit/loss on sale of investments is recognised at the time of actual sale / redemption.

p. Foreign currency translation

Foreign currency transactions and balances

Initial recognition: Foreign currency transactions are recorded in Indian rupee, by applying to the foreign currency amount the exchange rate between the Indian rupee and the foreign currency at the date of the transaction.

Conversion: Foreign currency monetary items are retranslated to Indian rupees by using the exchange rate prevailing at the Balance Sheet date.

Exchange differences: All exchange differences are dealt with in the Statement of Profit and Loss.

q. Income taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which

deferred tax asset can be realised. Any such write down is reversed to the extent it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

r. Segment reporting

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole. The segments are identified based on the nature of product & market served. The income /expenses which are not allocated to any reportable segments are reported as un-allocable segment.

s. Employee stock compensation cost

The measurement and disclosure of the employee share based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India (ICAI). The company measures cost relating to employees stock option by intrinsic value method. Compensation expenses is amortised on straight line method over the period of vesting of options.

t. Retirement and other employee benefits

Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

Gratuity

The Company provides for 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 year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gain / losses are immediately taken to Statement of Profit and Loss and are not deferred.

Leave Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

u. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v. Expenses on deposits / debentures

Expenses for private placement of debentures/subordinated debts/deposits are charged to Statement of Profit and Loss in the year in which they are incurred.

Expenses incurred on public issue of debentures other than brokerage are charged off on straight line basis over the weighted average tenor of the underlying debentures. The brokerage incurred on issue of debenture is treated as expenditure in the year in which it is incurred.

w. Provisions

A provision is recognised when the company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

x. Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments. Cash equivalents are short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash-in-hand, cash at bank, cheque in hand, remittances in transit and short term investments with an original maturity period of three months or less.

y. Derivative instruments

In accordance with the ICAI guidelines and on principle of prudence, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. However net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

z. 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, which are beyond the control of the company. A contingent liability also includes a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where; a liability cannot be measured reliably. The company does not recognise a contingent liability in the accounts but discloses its existence in the financial statements.

Notes forming part of the Financial Statements for the year ended March 31, 2014

3. SHARE CAPITAL

Particulars	₹ in lacs	
	As at March 31,	
	2014	2013
Authorised		
10,65,00,000 (March 31, 2013: 10,00,00,000) equity shares of ₹10/- each	10,650.00	10,000.00
12,00,000 equity shares of ₹100 each	1,200.00	-
40,00,000 (March 31, 2013: 40,00,000) cumulative redeemable preference shares of ₹100/- each	4,000.00	4,000.00
	15,850.00	14,000.00
Issued, Subscribed and Fully Paid-up Equity Shares		
5,92,84,432 (March 31, 2013: 5,54,16,340) shares of ₹10/- each	5,928.44	5,541.63
Total Issued, Subscribed and fully Paid-up share capital	5,928.44	5,541.63

3.1 RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Equity shares				
Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹ in lacs	Number	₹ in lacs
At the beginning of the year	5,54,16,340	5,541.63	5,23,67,209	5,236.72
Issued during the year - ESOP [Refer note-24]	37,050	3.71	1,99,131	19.91
Issued pursuant to merger	7,81,042	78.10		
Conversion of warrants [Refer note- 3.4]	30,50,000	305.00	28,50,000	285.00
Outstanding at the end of the year	5,92,84,432	5,928.44	5,54,16,340	5,541.63

On October 31, 2012 the Board of directors of the Company has approved the merger of SRHPL with the Company.

In terms of the composite Scheme of Arrangement ("Scheme") among Shriram Retail Holdings Private Limited ("SRHPL"), Shriram Enterprise Holdings Private Limited ("SEHPL") and Shriram City Union Finance Limited ("SCUF"), under section 391 to 394 read with Section 100-104 of the Companies Act, 1956 was approved by the Hon'ble High Court of Madras on June 24, 2013. The Scheme came into effect on August 16, 2013 with filing of Form 21 with Registrar of Companies, Chennai on the same date.

Prior to the merger, SRHPL held 26,610,571 shares of the Company

The swap ratio was revised from 413:69 to 418:69 (418 equity shares of ₹10 each of The Company against 69 equity shares of ₹10 each of Consolidated SRHPL) due to increase in cash and cash equivalent of Consolidated SRHPL as per provision of clause 14.3 of the Scheme, with the signing of revised swap ratio letter by the Company with Consolidated SRHPL on August 15, 2013.

Accordingly, on August 19, 2013, 2,73,91,613 equity shares of ₹10 each fully paid of the Company were allotted to the shareholders of Consolidated SRHPL, which resulted in increase in paid up share capital of the Company by 7,81,042 equity shares of ₹ 10 each.

The National Stock Exchange of India Limited, BSE Limited and Madras Stock Exchange Limited approved the listing of these shares on September 10, 2013, October 17, 2013 and September 25, 2013 respectively.

The amalgamation has been accounted for under the purchase method as prescribed by Accounting Standard - 14 Accounting for amalgamation, notified under Companies (Accounting Standards) Rules 2006 (as amended).

All the Assets (other than shares of the company held by SRHPL) and Liabilities of SRHPL have been vested in the Company with effect from August 16, 2013.

In accordance with the said scheme, excess of the net asset value taken over by the Company, vis-à-vis, additional equity shares issued has been transferred to Capital Reserves.

Details of net assets taken over and transfer to Capital Reserves is as under:

Particulars	₹ in lacs
Total value of assets acquired by the Company	6,617.12
Less: Total value of liabilities acquired by the Company	67.13
Fair Value of Net Assets taken over	6,549.99
Less: Additional issue of equity shares 781042 shares @ Rs. 10 each	(78.10)
Amount taken to Capital Reserve on Merger	6,471.88

3.2 Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of the equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

For the period ended March 31, 2014, the amount of dividend per equity share recognised as distributions to equity shareholders is ₹ 10.00 (March 31, 2013: ₹8.50 including interim dividend) including interim dividend.

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

3.3 Details of shareholders holding more than 5% shares in the company

Name of the shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity share of ₹10 each fully paid				
Shriram Retail Holding Pvt. Ltd.*	-	-	2,66,10,571	48.02
Shriram Capital Ltd.	2,22,68,877	37.56	51,50,000	9.29
Norwest Venture Partners X FII-Mauritius	38,23,502	6.45	42,17,511	7.61
TPG India Investment INC	1,34,21,889	22.64	-	-

* SRHPL/ SEHPL stands merged with Shriram City Union Finance Ltd. as on March 31, 2014. (refer note no.3.1)

As per records of the company, including the register of shareholders /members and other declarations received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3.4 Shares reserved for issue under option:

(i) For details of share reserved for issue under the employees stock option scheme (ESOP) [Refer note 24]

(ii) Preferential issue of share warrants:

During the financial year 2012-13, 28,50,000 warrants have been converted to equity shares, out of the total 59,00,000 warrants issued in financial year 2011-12 at the exercise price of ₹570 each

During the financial year 2013-14, 30,50,000 warrants have been converted to equity shares.

3.5 The company issued 13,55,000 equity shares (March 31, 2013: 13,55,000) during the period of five years immediately preceding the reporting date on exercise of options granted under ESOP, wherein a part of the consideration was received in form of employee service.

Notes forming part of the Financial Statements for the year ended March 31, 2014

4. RESERVES & SURPLUS

Particulars	₹ in lacs	
	As at March 31,	
	2014	2013
Capital reserves	1,400.00	1,400.00
Add: Transfer from Profits on account of reverse merger with Shriram Retail Holdings Pvt. Ltd.	6,471.88	-
	7,871.88	1,400.00
Capital redemption reserve	2,328.98	2,328.98
Securities premium		
Opening balance	81,471.36	65,010.65
Add : Securities premium credited during the year	17,173.16	16,460.71
Closing balance	98,644.52	81,471.36
Debenture redemption reserve		
Opening balance	8,290.40	4,914.00
Add: Transfer from Profits	7,704.80	5,833.40
Less: write back to Statement of Profit and Loss FY 2011-12	-	2,457.00
Closing balance	15,995.20	8,290.40
Stock options outstanding		
Employee stock option outstanding	343.32	427.22
Less: Transfer to deferred employee compensation outstanding	-	-
Closing balance	343.32	427.22
Statutory reserve (in pursuant to section 45-IC of the RBI act, 1934)		
Opening balance	31,815.00	22,820.00
Add: Transfer from Profits	10,440.00	8,995.00
Closing balance	42,255.00	31,815.00
General reserve		
Opening balance	15,695.40	11,197.90
Add: Transfer from Profits	5,220.00	4,497.50
Closing balance	20,915.40	15,695.40
Surplus in the Statement of Profit and Loss		
Opening balance	73,945.98	51,272.64
Add: net profit for the year	52,114.32	44,961.50
Less: Appropriations		
- Interim dividends	(2,555.24)	(1,315.75)
- Tax on interim dividend	(434.26)	(213.45)
- Proposed final equity dividend	(3,557.07)	(3,324.98)
- Tax on proposed equity dividend	(604.52)	(565.08)
- Transfer to statutory reserve (in pursuant to section 45-IC of the RBI act, 1934)	(10,440.00)	(8,995.00)
- Transfer to general reserve	(5,220.00)	(4,497.50)
- Transfer to debenture redemption reserve	(7,704.80)	(3,376.40)
Net surplus in the Statement of Profit and Loss	95,544.41	73,945.98
Total	2,83,898.71	2,15,374.34

5. LONG-TERM BORROWINGS				₹ in lacs
Particulars	Non-current portion		Current maturities	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Secured				
Privately placed redeemable non-convertible debentures (Retail) [refer note 5.1 A (i)]	98,597.82	1,51,182.95	88,601.44	86,748.59
Privately placed non-convertible debentures (Institutional) [refer note 5.1 A(ii) (a&b)]	36,650.00	45,950.00	11,400.00	24,426.67
Public issue of redeemable non-convertible debentures [refer note 5.1 A (iii) (a&b)]:				
Issued in 2013	15,361.06	-	-	-
Issued in 2012	43,360.14	43,360.14	-	-
Issued in 2011	61,208.00	75,000.00	13,792.00	-
Term loan from banks [refer note 5.1 B (i)]	4,47,663.10	3,85,500.00	1,24,082.72	1,49,356.88
Term loan from financial institutions [refer note 5.1 B (ii)]	34,500.00	39,500.00	5,000.00	11,000.00
Total Secured Long-term borrowing	7,37,340.12	7,40,493.09	2,42,876.16	2,71,532.14
Unsecured				
Fixed deposits [refer note 5.2 A]	42,635.90	6.42	19,195.30	26.81
Subordinated debts [refer note 5.2 B]	1,13,059.26	87,092.24	11,451.11	13,490.97
Total Unsecured Long-term borrowing	1,55,695.16	87,098.66	30,646.41	13,517.78
Amount disclosed under the head “other current liabilities”[Refer note-6]	-	-	(2,73,522.57)	(2,85,049.92)
Total	8,93,035.28	8,27,591.75	-	-

Notes forming part of the Financial Statements for the year ended March 31, 2014

5.1 SECURED LOANS - LONG TERM BORROWINGS

A. SECURED REDEEMABLE NON CONVERTIBLE DEBENTURE

(i) PRIVATELY PLACED SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES (NCDS) OF ₹1000/- EACH - UN-QUOTED (RETAIL)

Terms of repayment as at March 31, 2014

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	-	-	-	-	-
48-60 Months	4.80	514.03	-	-	518.83
36-48 Months	8.85	2,175.71	321.36	-	2,505.92
24-36 months	202.73	27,361.45	241.48	1.12	27,806.78
12-24 months	3,329.91	64,144.10	-	292.28	67,766.29
Total non-current portion	3,546.29	94,195.29	562.84	293.40	98,597.82
12 months	17,838.96	70,644.02	3.10	115.36	88,601.44
Total current maturities	17,838.96	70,644.02	3.10	115.36	88,601.44
Grand Total	21,385.25	1,64,839.31	565.94	408.76	1,87,199.26

Terms of repayment as at March 31, 2013

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	-	-	-	-	-
48-60 Months	8.12	1,561.35	321.36	-	1,890.83
36-48 Months	20.86	2,597.88	241.48	1.12	2,861.34
24-36 months	1,501.01	63,809.17	-	292.28	65,602.46
12-24 months	9,633.32	71,076.54	3.10	115.36	80,828.32
Total non-current portion	11,163.31	1,39,044.94	565.94	408.76	1,51,182.95
12 months	57,453.17	28,613.99	571.07	110.36	86,748.59
Total current maturities	57,453.17	28,613.99	571.07	110.36	86,748.59
Grand Total	68,616.48	1,67,658.93	1,137.01	519.12	2,37,931.54

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on are secured by a legal mortgage on the specified immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 60 months from the date of allotment depending on the terms of the agreement.

Secured redeemable non-convertible debentures may be bought back subject to applicable statutory and /or regulatory requirements, upon the terms and conditions as may be decided by the company. The company may grant loan against the security of Secured Non-Convertible Debentures upon the terms and conditions as may be decided by the company and subject to applicable statutory and /or regulatory requirements.

(ii) PRIVATELY PLACED REDEEMABLE NON-CONVERTIBLE DEBENTURE (INSTITUTIONAL)

a. PRIVATELY PLACED REDEEMABLE NON-CONVERTIBLE DEBENTURE (NCDS) OF ₹1,00,000/- EACH - QUOTED

₹ in lacs					
Rate of Interest	Non-current portion		Current maturities		Redeemable at par on
	As at March 31,		As at March 31,		
	2014	2013	2014	2013	
10.75%	-	900.00	900.00	-	7-Oct-14
10.75%	-	2,100.00	2,100.00	-	30-Sep-14
10.75%	-	900.00	900.00	-	7-Apr-14
10.75%	-	-	2,100.00	2,100.00	2-Apr-14
10.75%	-	-	-	600.00	7-Oct-13
10.75%	-	-	-	1,400.00	30-Sep-13
10.75%	-	-	-	600.00	8-Apr-13
Total	-	3,900.00	6,000.00	4,700.00	

b. PRIVATELY PLACED REDEEMABLE NON-CONVERTIBLE DEBENTURE (NCDS) OF ₹10,00,000/- EACH - QUOTED

₹ in lacs					
Rate of Interest	Non-current portion		Current maturities		Redeemable at par on
	As at March 31,		As at March 31,		
	2014	2013	2014	2013	
10.75%	500.00	500.00	-	-	4-Feb-21
10.60%	2,500.00	2,500.00	-	-	13-Dec-17
10.50%	2,000.00	2,000.00	-	-	23-Nov-17
10.75%	1,000.00	1,000.00	-	-	26-Jul-17
10.75%	2,150.00	2,150.00	-	-	12-Jul-17
10.49%	27,500.00	27,500.00	-	-	30-Mar-17
10.65%	1,000.00	1,000.00	-	-	23-May-15
10.65%	-	1,000.00	1,000.00	-	3-Feb-15
11.00%	-	1,500.00	1,500.00	-	1-Dec-14
10.61%	-	2,900.00	2,900.00	-	2-Jun-14
10.60%	-	-	-	680.00	17-Feb-14
10.30%	-	-	-	1,000.00	20-Jan-14
10.60%	-	-	-	500.00	9-Aug-13
10.50%	-	-	-	2,500.00	19-Jul-13
10.50%	-	-	-	5,000.00	12-Jul-13
10.96%	-	-	-	2,500.00	23-May-13
7.82%	-	-	-	2,916.67	22-Apr-13
10.95%	-	-	-	1,800.00	25-Oct-13
10.85%	-	-	-	1,100.00	18-Apr-13
10.96%	-	-	-	1,730.00	3-Apr-13
Total	36,650.00	42,050.00	5,400.00	19,726.67	

Notes forming part of the Financial Statements for the year ended March 31, 2014

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on are secured by a legal mortgage on the specified immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

Secured redeemable non-convertible debenture may be bought back subject to applicable statutory and /or regulatory requirements, upon the terms and conditions as may be decided by the company.

(iii) PUBLIC ISSUE OF SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES (NCDS) OF ₹1000/- EACH - QUOTED

a. Issued in 2011

Non-current Portion

₹ in lacs					
Option Detail	Rate of Interest	As at March 31,		Redeemable at par on	Put and call option
		2014	2013		
Option I	11.60%	5,429.05	5,429.05	25-Aug-16	25-Aug-15
	12.10%	43,653.65	43,653.65	25-Aug-16	25-Aug-15
	11.85%	12,125.30	12,125.30	25-Aug-16	25-Aug-15
Option II	11.50%	-	9,570.95	25-Aug-14	-
	11.85%	-	1,346.35	25-Aug-14	-
	11.60%	-	2,874.70	25-Aug-14	-
Total		61,208.00	75,000.00		

a. Issued in 2011

Current maturities

		₹ in lacs			
Option Detail	Rate of Interest	As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and call option
Option I	11.60%	-	-	25-Aug-16	25-Aug-15
	12.10%	-	-	25-Aug-16	25-Aug-15
	11.85%	-	-	25-Aug-16	25-Aug-15
Option II	11.50%	9,570.95	-	25-Aug-14	-
	11.85%	1,346.35	-	25-Aug-14	-
	11.60%	2,874.70	-	25-Aug-14	-
Total		13,792.00	-		

Nature of security

The repayment of secured redeemable non convertible debentures of ₹1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

Secured redeemable non-convertible debenture may be bought back subject to applicable statutory and /or regulatory requirements, upon the terms and conditions as may be decided by the company.

Notes forming part of the Financial Statements for the year ended March 31, 2014

b. Issued in 2012

Non-current Portion		₹ in lacs		
Option Detail	Rate of Interest	As at March 31,		Redeemable at par on
		2014	2013	
Option I	10.60%	29697.71	29,697.71	6-Oct-15
	10.60%	2546.08	2,546.08	6-Oct-15
Option II	10.75%	7646.19	7,646.19	6-Oct-17
	10.75%	3470.16	3,470.16	6-Oct-17
Total		43,360.14	43,360.14	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

c. Issued in 2013

Non-current portion		₹ in lacs		
Option Detail	Rate of Interest	As at March 31,		Redeemable at par on
		2014	2013	
Series I	10.75%	187.15	-	4-Jan-17
	11.00%	4,197.91	-	4-Jan-17
Series II	10.75%	7.00	-	4-Jan-18
	11.00%	310.18	-	4-Jan-18
Series III	10.75%	3.00	-	4-Jan-19
	11.00%	5,016.34	-	4-Jan-19
Series IV	10.75%	112.50	-	4-Jan-17
	11.00%	2,238.68	-	4-Jan-17
Series V	10.75%	-	-	4-Jan-18
	11.25%	276.13	-	4-Jan-18
Series VI	10.75%	300.50	-	4-Jan-19
	11.50%	2,515.29	-	4-Jan-19
Series VII	11.25%	196.38	-	4-Jan-19
Total		15,361.06	-	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

Notes forming part of the Financial Statements for the year ended March 31, 2014

B. TERM LOAN

(i) TERM LOAN FROM BANK

Terms of repayment as at March 31, 2014			₹ in lacs	
Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
36-48 months	10.75%	Bullet payment on maturity	15,000.00	-
24-36 months	10.40% to 12.00%	1 to 36 installments of bullet & quarterly frequency	2,41,505.55	5,000.00
12-24 months	10.50% to 11.25%	1 to 24 installments of bullet, monthly, quarterly and half yearly frequency	1,91,157.54	24,083.33
Upto 12 months	10.45% to 10.95%	1 to 12 installments of bullet, Quarterly & half yearly frequency	-	94,999.39
			4,47,663.09	1,24,082.72

Terms of repayment as at March 31, 2013			₹ in lacs	
Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
36-48 months	10.75% to 11.25%	1 to 48 installments of bullet, half yearly and yearly frequency	61,500.00	5,000.00
24-36 months	10.80% to 11.75%	1 to 36 installments of bullet & quarterly frequency	2,29,000.00	15,625.00
12-24 months	10.70% to 11.00%	1 to 24 installments of bullet, monthly, quarterly and half yearly frequency	95,000.00	5,000.00
Upto 12 months	9.25% to 12.00%	1 to 12 installments of bullet, Quarterly & half yearly frequency	-	1,23,731.88
			3,85,500.00	1,49,356.88

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

(ii) TERM LOAN FROM INSTITUTIONS

Terms of repayment as at March 31, 2014				₹ in lacs
Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	10.75%	1 to 60 installments of yearly frequency	6,500.00	1,500.00
36-48 months	10.75%	1 to 48 installments of yearly frequency	28,000.00	3,500.00
Grand Total			34,500.00	5,000.00

Terms of repayment as at March 31, 2013				₹ in lacs
Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	11.75%	1 to 60 installments of yearly frequency	39,500.00	4,500.00
Upto 12 months	10.00% to 11.10%	Bullet payment on maturity	-	6,500.00
Grand Total			39,500.00	11,000.00

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

5.2 UNSECURED LOAN - LONG TERM BORROWINGS

A. FIXED DEPOSITS OF ₹1000/- EACH - UNQUOTED

Terms of repayment as at March 31, 2014						₹ in lacs
Redeemable at par within	Rate of interest				Total	
	>=6% <8%	>=8% <10%	>=10% <12%	>=12%		
48-60 Months	-	-	1,396.94	-	1,396.94	
36-48 Months	-	-	404.53	-	404.53	
24-36 months	56.52	268.43	33,411.41	-	33,736.37	
12-24 months	21.21	7,053.76	23.09	-	7,098.06	
Total non-current portion	77.73	7,322.20	35,235.97	-	42,635.90	
				-		
12 months	95.39	19,099.91	-	-	19,195.30	
Total current maturities	95.39	19,099.91	-	-	19,195.30	
				-		
Grand Total	173.11	26,422.11	35,235.97	-	61,831.20	

Notes forming part of the Financial Statements for the year ended March 31, 2014

Terms of repayment as at March 31, 2013

Redeemable at par within	Rate of interest				Total
	>=6% <8%	>=8% <10%	>=10% <12%	>=12%	
48-60 Months	-	-	-	-	-
36-48 Months	-	-	-	-	-
24-36 months	0.20	-	-	-	0.20
12-24 months	3.73	2.49	-	-	6.22
Total non-current portion	3.93	2.49	-	-	6.42
12 months	26.51	0.30	-	-	26.81
Total current maturities	26.51	0.30	-	-	26.81
Grand Total	30.44	2.79	-	-	33.23

B. PRIVATELY PLACED SUBORDINATED DEBTS

The company has issued subordinated debt bonds with coupon rate of 7% to 15% per annum which are redeemable over a period of 60 months to 88 months.

Terms of repayment as at March 31, 2014

(i) PRIVATELY PLACED SUBORDINATED DEBTS OF ₹1,000/- EACH - UNQUOTED

Particulars	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	-	36,004.76	-	-	36,004.76
48-60 months	9.03	25,502.23	-	-	25,511.26
36-48 months	1,230.54	8,490.89	-	-	9,721.43
24-36 months	56.17	2,443.60	-	-	2,499.77
12-24 months	-	8,731.43	55.61	-	8,787.04
Total non-current portion	1,295.74	81,172.91	55.61	-	82,524.26
12 months	-	3,763.80	7,687.31	-	11,451.11
Total current maturities	-	3,763.80	7,687.31	-	11,451.11
Grand Total	1,295.74	84,936.71	7,742.92	-	93,975.37

(ii) PRIVATELY PLACED SUBORDINATED DEBTS OF ₹1,00,000/- EACH - QUOTED

₹ in lacs

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
48-60 Months	-	20,520.00	-	-	20,520.00
36-48 Months	-	2,515.00	-	-	2,515.00
Total non-current portion	-	23,035.00	-	-	23,035.00

(iii) PRIVATELY PLACED SUBORDINATED DEBTS OF ₹10,00,000/- EACH - QUOTED

₹ in lacs

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	-	7,500.00	-	-	7,500.00
Total non-current portion	-	7,500.00	-	-	7,500.00

Terms of repayment as at March 31, 2013

(i) PRIVATELY PLACED SUBORDINATED DEBTS OF ₹1,000/- EACH - UNQUOTED

₹ in lacs

Particulars	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	9.03	24,088.86	-	-	24,097.89
48-60 Months	1,230.54	8,490.89	-	-	9,721.43
36-48 Months	56.17	2,443.60	-	-	2,499.77
24-36 months	-	8,731.43	55.61	-	8,787.04
12-24 months	-	3,763.80	7,687.31	-	11,451.11
Total non-current portion	1,295.74	47,518.58	7,742.92	-	56,557.24
12 months	-	10,574.89	2,916.08	-	13,490.97
Total current maturities	-	10,574.89	2,916.08	-	13,490.97
Grand Total	1,295.74	58,093.47	10,659.00	-	70,048.21

(ii) PRIVATELY PLACED SUBORDINATED DEBTS OF ₹1,00,000/- EACH - QUOTED

₹ in lacs

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	-	23,035.00	-	-	23,035.00
Total non-current portion	-	23,035.00	-	-	23,035.00

(iii) PRIVATELY PLACED SUBORDINATED DEBTS OF ₹10,00,000/- EACH - QUOTED

₹ in lacs

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	-	7,500.00	-	-	7,500.00
	-	-	-	-	-
	-	7,500.00	-	-	7,500.00

Notes forming part of the Financial Statements for the year ended March 31, 2014

6. OTHER LIABILITIES

₹ in lacs

Particulars	Long-term		Short-term	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Current maturities of long-term borrowings [Refer note: 5]	-	-	2,73,522.57	2,85,049.92
Interest accrued but not due on borrowings	26,756.68	26,604.56	24,934.30	21,557.52
Interest received in advance	-	-	862.84	-
Application money on redeemable non convertible debentures	10.40	483.56	-	-
Application money on redeemable subordinate debts	37.14	96.41	-	-
Application money on deposit	49.45	-	-	-
Unclaimed dividends*	-	-	49.53	38.42
Unclaimed matured deposits and interest accrued thereon*	-	-	13.37	8.34
Unclaimed matured debentures and interest accrued thereon*	-	-	7,273.53	4,760.06
Unclaimed matured Subordinate debts and interest accrued thereon*	-	-	2,511.29	1,456.35
Temporary credit balance in bank accounts	-	-	11,941.72	12,081.48
Tax deducted at source	-	-	479.62	579.01
Statutory due pertaining to employees	-	-	210.40	210.39
Service tax - contested #	-	-	1,553.08	1,553.08
Unrealised gain on Securitisation	10,326.51	12,664.11	12,096.90	20,907.71
Retention and other liabilities	54.63	205.54	6,943.98	5,744.64
Total	37,234.81	40,054.18	3,42,393.13	3,53,946.92

As regards the recovery of Service tax on lease and hire purchase transactions, the Hon'ble Supreme Court vide its order dated October 26, 2010 has directed the competent authority under the Finance act, 1994 to decide the matter in accordance with the law laid down.

*Accrued interest is up to the date of maturity. Amounts shall be credited to Investor Education & Protection Fund to the extent unclaimed as and when due.

7. PROVISIONS

₹ in lacs

Particulars	Long-term		Short-term	
	2014	2013	2014	2013
Provision for Employee benefits:				
Provision for gratuity	972.00	1,028.97	33.76	33.40
Provision for leave benefits	374.12	114.45	21.04	5.25
Other provisions:				
Provision for Non performing assets (NPA)	3,266.51	1,866.02	23,133.11	16,800.94
Contingent provision for standard assets	1,039.09	825.39	2,058.30	2,461.53
Provision for hedging contracts	-	-	-	486.75
Provision for diminution in the value of investments	25.41	19.70	-	-
Provision for income tax [net of advance income tax]	-	-	2,382.31	2,707.34
Proposed dividend	-	-	3,557.07	3,324.98
Corporate dividend tax	-	-	604.52	565.08
Total	5,677.13	3,854.53	31,790.11	26,385.27

8. SHORT TERM BORROWINGS

₹ in lacs

Particulars	As at March 31,	
	2014	2013
Secured		
Term loan from banks	1,600.00	10,500.00
Term loan from financial institutions	-	5,000.00
Cash Credit from bank	36,755.37	61,103.56
Working capital demand loan from bank	-	73,625.00
	38,355.37	1,50,228.56
Unsecured		
Commercial papers	-	10,000.00
Inter Corporate Deposits	-	-
	-	10,000.00
Total	38,355.37	1,60,228.56

8.1 TERM LOAN FROM BANKS

₹ in lacs

Rate of interest	Repayment Details	As at March 31, 2014	As at March 31, 2013
9.95%	Bullet payment at the end of 1 year	1,600.00	-
10.70%	Bullet payment at the end of 1 year	-	10,500.00
Total		1,600.00	10,500.00

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

8.2 TERM LOAN FROM INSTITUTIONS

₹ in lacs

Rate of interest	Repayment Details	As at March 31, 2014	As at March 31, 2013
11.10%	Bullet payment at the end of 1 year	-	5,000.00
Total		-	5,000.00

Nature of Security

Term Loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

8.3 CASH CREDIT AND WORKING CAPITAL DEMAND LOANS
Nature of Security

Cash credit and working capital demand loan from banks are secured by way of hypothecation of specific movable assets relating to the loans.

Notes forming part of the Financial Statements for the year ended March 31, 2014

9. TANGIBLE AND INTANGIBLE FIXED ASSETS

₹ in lacs

Particulars	Tangible assets						Total tangible assets	Intangible assets	Total fixed assets
	Land	Building	Plant and machinery	Furniture and fixtures	Vehicles	Leasehold improvements		Computer software	
Gross Block									
As at April 1, 2012	2.22	12.94	3,359.44	1,942.05	33.24	2,503.38	7,853.27	477.31	8,330.58
Additions	-	-	1,885.58	1,219.94	1.95	2,825.11	5,932.58	111.63	6,044.21
Disposals	-	-	22.45	6.75	12.14	13.84	55.18	-	55.18
As at March 31, 2013	2.22	12.94	5,222.57	3,155.24	23.05	5,314.65	13,730.67	588.94	14,319.61
Additions	0.18	-	899.54	673.26	0.52	1540.23	3,113.73	1,198.75	4,312.48
Disposals	-	-	44.25	38.54	2.30	-	85.10	-	85.10
As at March 31, 2014	2.40	12.94	6,077.86	3,789.96	21.27	6,854.88	16,759.30	1,787.69	18,546.99
Depreciation									
As at April 1, 2012	-	2.56	1,082.85	458.30	8.71	1,176.82	2,729.24	347.03	3,076.27
Charge for the year	-	0.21	699.07	375.27	2.90	1,242.24	2,319.69	120.80	2,440.49
Disposals	-	-	17.72	2.04	5.10	8.99	33.85	-	33.85
As at March 31, 2013	-	2.77	1,764.20	831.53	6.51	2,410.07	5,015.08	467.83	5,482.91
Charge for the year	-	0.21	729.32	316.72	2.11	1,603.19	2,651.55	303.70	2,955.25
Disposals	-	-	22.16	10.53	0.97	-	33.66	-	33.66
As at March 31, 2014	-	2.98	2,471.36	1,137.72	7.65	4,013.26	7,632.97	771.53	8,404.50
Net Block									
As at March 31, 2013	2.22	10.17	3,458.37	2,323.71	16.54	2,904.58	8,715.59	121.11	8,836.70
As at March 31, 2014	2.40	9.96	3,606.50	2,652.24	13.62	2,841.62	9,126.33	1,016.16	10,142.49

10. NON-CURRENT INVESTMENTS		₹ in lacs
Particulars	As at March 31,	
	2014	2013
Long-term investment		
Other than trade		
A. Unquoted equity instruments		
(i) Investment in subsidiary (valued at cost)		
16,54,40,000 (March 31, 2013: 7,00,00,000) Equity shares of ₹10 each fully paid-up in Shriram Housing Finance Ltd.	16,544.00	7,000.00
(ii) Investment in other companies (valued at cost)		
16,32,653 (March 31, 2013: 16,32,653) equity shares of ₹10 each fully paid-up in Highmark Credit Information Services Private Ltd.	200.00	200.00
Total unquoted non-current investment	16,744.00	7,200.00
A. Quoted Investment		
(i) Investment in government securities (valued at cost)		
Quoted		
6.13% GOI Loan 2028 of face value ₹100 lacs (Market value as on March 31, 2014: ₹76.04 lacs and March 31, 2013: ₹81.75 lacs)	101.45	101.45
Total quoted non-current investment	101.45	101.45
Total	16,845.45	7,301.45
Aggregate amount of Quoted Investments (cost of acquisition)	101.45	101.45
Aggregate amount of Unquoted Investments (cost of acquisition)	16,744.00	7,200.00
Aggregate amount of provision for diminution in value of Investments	25.41	19.70
a. In accordance with the Reserve Bank of India circular no. RBI/2006-07/225 DNBS (PD) C.C No.87/03.02.2004/2006-07 dated January 4, 2007, the company has created a floating charge on the statutory liquid assets comprising of investment in government securities being statutory liquid assets to the extent of ₹101.45 Lacs (March 31, 2013: ₹ 101.45 Lacs) in favour of trustees representing the public deposit holders of the company.		

11. DEFERRED TAX ASSET (NET)		₹ in lacs
Particulars	As at March 31,	
	2014	2013
Deferred tax liabilities		
Timing difference on account of :		
Fixed assets: Impact of difference between tax depreciation and depreciation and depreciation/amortization charged for the financial reporting	-	-
Deferred expenses incurred for NCD mobilization	790.52	464.88
Gross deferred tax liabilities (A)	790.52	464.88
Deferred tax asset		
Timing difference on account of :		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	205.03	65.02
Provision for service tax	527.89	503.90
Contingent provision against standard assets	1,052.80	1,066.44
Provision for leave benefits	44.05	38.84
Provision for gratuity	181.46	163.66
Provision for derivative	-	157.93
Provision for bonus	353.52	222.30
Interest payable	24.55	-
Merger Expenses	0.95	-
Estimated disallowances	203.94	129.77
Gross deferred tax Assets (B)	2,594.19	2,347.86
Deferred tax asset (Net)) (B-A)	1,803.67	1,882.98

Notes forming part of the Financial Statements for the year ended March 31, 2014

12. LOANS AND ADVANCES					₹ in lacs
Particulars	Long-term		Short-term		
	As at March 31,		As at March 31,		
	2014	2013	2014	2013	
Unsecured, Considered Good					
Capital advances	53.72	309.51	-	-	
Loans and Advances					
Assets under financing activities :					
- Secured, considered good *	4,03,894.46	3,13,226.01	7,87,016.31	9,36,639.55	
- Doubtful	3,754.67	2,782.33	28,057.13	23,734.27	
- Unsecured, considered good	11,743.09	16,928.93	36,304.02	47,971.72	
- Doubtful	38.58	145.49	2,189.86	2,761.44	
Advances recoverable in cash or in kind or for value to be received -Unsecured, considered good	-	-	5,810.59	3,456.66	
Investment through Pass through certificates	3,087.97	3,508.95	3,395.42	946.50	
Total	4,22,572.49	3,36,901.22	8,62,773.33	10,15,510.14	

* Includes value of repossessed stock of ₹ 2491.90 lacs

Disclosure on loan against gold as on March 31, 2014 Vide RBI notification NBS.CC.PD.No.266/03.10.01/2011-12 dated March 26, 2012.

Particulars	As at Mar 31,	
	2014	2013
Total Assets under Management	12,72,998	13,44,190
Total Loan against gold	2,45,343	4,78,671
Percentage of Gold Loan on Total Assets (on book)	19.27%	35.61%

13. OTHER ASSETS

					₹ in lacs
Particulars	Non-current		Current		
	2014	2013	2014	2013	
Bank balances non-current portion [Refer note-14]	1,623.00	9,308.00	-	-	
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	1,494.97	954.41	830.77	478.42	
Interest accrued on fixed deposit and other loan and advances	0.40	1,151.85	3,916.44	2,106.53	
Securitisation-receivable	7,776.25	12,571.42	13,230.00	20,238.10	
Service tax credit (input) receivable	-	-	94.63	40.78	
Prepaid expenses	-	-	245.59	512.56	
Other assets	-	-	-	0.02	
Security deposits	1,664.96	1,548.06	100.00	250.00	
Total	12,559.58	25,533.74	18,417.43	23,626.41	

14. CURRENT INVESTMENTS		₹ in lacs
Particulars	As at March 31,	
	2014	2013
Mutual Funds Units	7,000.00	-
Treasury Bills	3,910.00	-
Certificate of Deposits	32,500.00	-
Commercial Paper	2,500.00	-
Total	45,910.00	-

15. CASH AND BANK BALANCES				₹ in lacs
Particulars	Non-current		Current	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Cash and cash equivalents :				
Balances with banks:				
- Current accounts	-	-	21,564.59	36,707.42
- Balance in unpaid dividend accounts	-	-	-	38.42
- Bank deposits with maturity of less than 3 months	-	-	88,433.35	1,33,590.00
Cash on hand	-	-	6,231.07	6,127.61
Other bank Balances:				
Bank deposits with original maturity for more than 12 months	-	-	-	-
Bank deposits with original maturity for more than 3 months but less than 12 months	-	-	90,000.00	237.50
Margin money deposits	1,623.00	9,308.00	41,059.53	41,045.09
	1,623.00	9,308.00	2,47,288.54	2,17,746.04
Amount disclosed under the head “non-current asset” [Refer note 13]	(1,623.00)	(9,308.00)	-	-
Total	-	-	2,47,288.54	2,17,746.04

Margin money deposit of ₹ 42,682.53 lacs as at March 31, 2014 (March 31, 2013 ₹50,353.09 lacs) are pledged with banks as margin for securitisation.

16. REVENUE FROM OPERATION		₹ in lacs
Particulars	For the year ended March 31,	
	2014	2013
Income from finance and other charges	2,87,105.23	2,65,714.68
Income on Securitisation / assignment	20,125.24	34,588.04
Interest on Investment thru PTC - Securitisation *	1,947.22	7.48
Interest on Margin money on securitisation / assignment	4,376.11	4,001.00
Bad debts recovery	3,796.12	2,836.09
Total	3,17,349.92	3,07,147.29

* Includes exempt income (subjected to EIS tax u/s 115 TA of the Income tax Act) of ₹ 1700.42 lacs for the year ended Mar 31, 2014 (Mar 31, 2013 ₹ Nil)

Notes forming part of the Financial Statements for the year ended March 31, 2014

17. OTHER INCOME		₹ in lacs	
Particulars	For the year ended March 31,		
	2014	2013	
Dividend Income	5.00	-	
Net gain on sale of investments	4,115.77	719.47	
Other non-operating income:			
Interest on deposit with bank	1,597.51	400.16	
Interest on government securities	42.90	6.13	
Profit on sale of assets	5.85	2.19	
Commission	142.78	2.15	
Miscellaneous income	575.20	24.00	
Gain on Interest rate swap	27.73	-	
Total	6,512.74	1,154.10	

18. EMPLOYEE BENEFITS EXPENSES		₹ in lacs	
Particulars	For the year ended March 31,		
	2014	2013	
Salaries and allowances	24,485.61	19,642.31	
Contributions to Provident fund and ESI	1,797.09	1,742.13	
Gratuity	78.07	254.56	
Expense on Employee Stock Option Scheme	-	-	
Staff welfare expenses	715.60	755.27	
Total	27,076.37	22,394.27	

19. FINANCE COSTS		₹ in lacs	
Particulars	For the year ended March 31,		
	2014	2013	
Interest expense on :			
Debentures	46,551.76	42,906.06	
Subordinate debts	15,231.08	12,874.60	
Fixed deposits	2,048.31	30.04	
Loans from banks	57,117.29	66,633.17	
Loans from institutions and others	4,892.15	4,929.03	
Commercial Papers	121.59	3,713.53	
Borrowing Cost:			
Bank Charges	1,017.36	1,039.02	
Processing and other charges	885.61	1,130.50	
Brokerage	7,205.39	7,791.56	
Total	1,35,070.54	1,41,047.51	

20. OTHER EXPENSES		₹ in lacs
Particulars	For the year ended March 31,	
	2014	2013
Rent	3,491.95	2,806.63
Power and fuel expenses	822.72	577.56
Repairs & maintenance	1,794.74	1,506.03
Rates, duties & taxes	804.07	612.40
Printing & stationery	1,788.34	2,048.39
Travelling & conveyance	5,273.37	4,962.83
Advertisement	1,280.34	928.20
Business promotion expenses	1,976.18	2,992.72
Commission	3,435.10	6,238.15
Sourcing fees and other charges	2,542.20	2,938.63
Royalty	882.28	858.05
Directors' sitting fees	5.89	5.71
Insurance	570.43	476.24
Communication expenses	2,945.05	2,798.39
Payments to the auditor		
as auditor (refer note no.33)		
(a) audit fees	20.24	20.65
(b) tax audit fees	6.05	4.87
(c) certification and other services	4.93	4.68
(d) out of pocket	11.37	5.79
Professional charges	10,797.49	4,826.44
Legal & professional fees	1,030.94	944.90
Donations	10.70	11.50
Public issue expenses for non-convertible debentures	575.41	378.11
Loss on sale of assets	33.75	11.11
Miscellaneous expenses	2,251.23	1,473.91
Total	42,354.77	37,431.89

21. PROVISIONS & WRITE OFFS		₹ in lacs
Particulars	For the year ended March 31,	
	2014	2013
Provision for non performing assets	7,732.66	6,042.53
Contingent provision for standard assets	(189.53)	627.09
Bad debts written off	30,870.53	31,732.88
Provision for Diminution of Investments	5.71	19.70
Total	38,419.37	38,422.20

Notes forming part of the Financial Statements for the year ended March 31, 2014

22. EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31,	
	2014	2013
Net profit after tax and share of loss of Associates as per statement of profit and loss (₹ in lacs) (A)	52,114.32	44,961.50
Weighted average number of equity shares for calculating Basic EPS (No. in lacs) (B)	580.60	525.18
Weighted average number of equity shares for calculating Diluted EPS (No. in lacs) (C)	582.06	541.68
Basic earnings per equity share (in Rupees) (Face value of ₹10/- per share) (A) / (B)	89.76	85.61
Diluted earnings per equity share (in Rupees) (Face value of ₹10/- per share) (A) / (C)	89.53	83.00

Particulars	For the year ended March 31,	
	2014	2013
Weighted average number of equity shares for calculating EPS (No. in lacs)	580.60	525.18
Add : Equity shares arising on conversion of optionally convertible warrants (No. in lacs)	0.00	14.67
Add : Equity shares for no consideration arising on grant of stock options under ESOP (No. in lacs)	1.46	1.83
Weighted average number of equity shares in calculation diluted EPS (No. in lacs)	582.06	541.68

23. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service.

Consequent to the adoption of revised AS 15 'Employee Benefits' issued under Companies Accounting Standard Rules, 2006, as amended, the following disclosures are made as required by the standard:

Statement of Profit and Loss

Net Employee benefit expenses recognised in the employee cost

Particulars	₹ in lacs	
	Gratuity	
	For the year ended March 31,	
	2014	2013
Current service cost	209.18	44.45
Interest cost on benefit obligation	84.99	22.09
Expected return on plan assets	N.A.	N.A.
Net actuarial (gain) / loss recognised in the year	(216.10)	188.02
Past service cost	-	-
Net benefit expense	78.07	254.56
Actual return on plan assets	N.A.	N.A.

Balance sheet

Particulars	₹ in lacs	
	Gratuity	
	As at March 31,	
	2014	2013
Defined benefit obligation	1,005.76	1,062.37
Fair value of plan assets	N.A.	N.A.
Total	1,005.76	1,062.37
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	(1,005.76)	(1,062.37)

Notes forming part of the Financial Statements for the year ended March 31, 2014

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

Particulars	Gratuity	
	As at March 31,	
	2014	2013
Opening defined benefit obligation	1,062.37	259.89
Interest cost	84.99	22.09
Current service cost	209.18	44.45
Transferred in liabilities	(86.04)	557.94
Benefits paid	(48.64)	(10.02)
Actuarial (gains) / losses on obligation	(216.10)	188.02
Closing defined benefit obligation	1,005.76	1,062.37

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

Particulars	Gratuity	
	As at March 31,	
	2014	2013
Investments with insurer	NA	NA

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

Particulars	Gratuity	
	As at March 31,	
	2014	2013
Discount Rate	9.31%	8.00%
Increase in compensation cost	5.00%	5.00%
Employee Turnover	2.00%	2.00%

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

Amounts for the Current and previous three years are as follows: ₹ in lacs

Particulars	As at March 31,			
	2014	2013	2012	2011
Defined benefit obligation	1,005.76	1,062.37	259.89	196.34
Plan assets	NA	NA	NA	NA
Surplus / (deficit)	(1005.76)	(1062.37)	(259.89)	(196.34)
Experience adjustments on plan liabilities	(89.71)	(136.10)	(35.18)	(29.63)
Experience adjustments on plan assets	NA	NA	NA	NA

The Company has a leave encashment policy. The leave encashment liability is computed based on actuarial valuation and stands at ₹ 395.16 lacs as on Mar 31, 2014 (Mar 31, 2013 - ₹ 119.70 lacs)

Notes forming part of the Financial Statements for the year ended March 31, 2014

24. EMPLOYEE STOCK OPTION PLAN

24.1 The Company provides share-based payment schemes to its Employees. For the period ended March 31, 2014 an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Date of Shareholder's approval	: October 30 2006
Date of grant	: October 19 2007
Date of Board Approval	: October 19 2007
Number of options granted	: 13,55,000
Method of Settlement (Cash/Equity)	: Equity
Graded vesting period:	
After 1 years of grant date	: 10% of options granted
After 2 years of grant date	: 20% of options granted
After 3 years of grant date	: 30% of options granted
After 4 years of grant date	: 40% of options granted
Exercisable period	: 10 years from vesting date
Vesting Conditions	: on achievement of pre –determined targets

The details of Series I have been summarized below:

	As at Mar 31, 2014		As at March 31, 2013	
	Number of Shares	Weighted Average Exercise Price(in ₹)	Number of Shares	Weighted Average Exercise Price(in ₹)
Outstanding at the beginning of the year	1,88,660	35.00	3,87,791	35.00
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Less: Exercised during the year	37,050	35.00	1,99,131	35.00
Less: Expired during the year	-	-	-	-
Outstanding at the end of the period	1,51,610	35.00	1,88,660	35.00
Exercisable at the end of the period	-	-	-	-
Weighted average remaining contractual life (in years)	-	6.55	-	7.55
Weighted average fair value of options granted	-	227.42	-	227.42

The details of exercise price for stock options outstanding at the end of the period are:

As at March 31,	Range of exercise prices (in ₹)	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average Exercise Price (in ₹)
2014	35.00	1,51,610	6.55	35.00
2013	35.00	1,88,660	7.55	35.00

STOCK OPTIONS GRANTED

The weighted average fair value of stock options granted was ₹227.42. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2006	2007	2008	2009
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	55.36	55.36	55.36	55.36
Historical Volatility	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (₹)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	7.70	7.67	7.66	7.67
Expected dividend rate (%)	0.84	0.84	0.84	0.84

The expected volatility was determined based on historical volatility data equal to the NSE volatility rate of Bank Nifty which is considered as a comparable peer group of the Company. To allow for the effects of early exercise it was assumed that the employees would exercise the options within six months from the date of vesting in view of the exercise price being significantly lower than the market price.

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

	₹ in lacs	
	As at	As at
	Mar 31, 2014	March 31, 2013
Compensation cost pertaining to equity-settled employee share-based payment plan included above	-	-
Liability for employee stock options outstanding as at end of period	343.32	427.22
Deferred compensation cost	Nil	Nil

Since the company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

In March 2005, the ICAI issued a guidance note on "Accounting for Employees Share Based Payments" applicable to Employee based share plan, the grant date in respect of which falls on or after April 1 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note the impact on the reported net profit and earnings per share would be as follows:

	As at	As at
	Mar 31, 2014	March 31, 2013
Profit as reported (₹ in lacs)	52,114.32	44,961.50
Add: Employee stock compensation under intrinsic value method (₹ in lacs)	-	-
Less: Employee stock compensation under fair value method (₹ in lacs)	-	-
Proforma profit (₹ in lacs)	52,114.32	44,961.50
Less Preference Dividend		
Proforma Net Profit for Equity Shareholders	52,114.32	44,961.50
Earnings per share		
Basic (₹.)		
- As reported	89.76	85.61
- Proforma	89.76	85.61
Diluted (₹.)		
- As reported	89.53	83.00
- Proforma	89.53	83.00

24.2 A new ESOP scheme "SCUF Employees Stock Option Scheme 2013" was approved at an EGM on May 31, 2013. Accordingly 2,627,000 equity shares @ ₹10 each have been reserved under this scheme with an exercise price of ₹300 per option and with a maximum vesting period of five years from the date of grant.

25. SEGMENT INFORMATION

The company has got a single reportable segment. Therefore, the segment wise reporting has not been given.

Notes forming part of the Financial Statements for the year ended March 31, 2014

26. RELATED PARTY DISCLOSURE

(i) Subsidiaries

Shriram Housing Finance Limited (from 9th November 2010) (SHFL)

(ii) Other Related Parties

Enterprises having significant influence over the Company

a. Shriram Enterprises Holding Private Limited (SEHPL)*

b. Shriram Retail Holdings Private Limited (SRHPL)*

c. Shriram Capital Limited (SCL)

d. TPG India Investments I Inc. (TPGI)

e. Shriram Ownership Trust (SOT)

(iii) Key Managerial Personnel

a. R Duruvasan, Managing Director

b. G.S.Sundararajan, Managing Director

(iv) Relatives of Key Managerial Personnel

a. A. Komaleeswari (spouse of R.Duruvasan)

b. Nithya Sundararajan (spouse of G.S.Sundararajan)

₹ in Lacs

Particulars	Enterprises having significant influence over the Company		Subsidiaries		Key Managerial Personnel		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Payments/Expenses								
Royalty to SOT	882.28	858.05	-	-	-	-	882.28	858.05
Data Sourcing Fees to SOT	363.17	418.06	-	-	-	-	363.17	418.06
Service Charges SOT	2,179.03	2,520.57	-	-	-	-	2,179.03	2,520.57
Reimbursement of business promotion expenses, rent and other expenses to SCL	-	23.58	-	-	-	-	-	23.58
License Fees to SCL	1,666.86	1,449.44	-	-	-	-	1,666.86	1,449.44
Rent and other expenses to SHFL	-	-	138.00	121.79	-	-	138.00	121.79
Security deposits for rent SHFL	-	-	-	117.38	-	-	-	117.38
Loan given to SHFL			2,500.00				2,500.00	-
Equity dividend to SEHPL*	-	-	-	-	-	-	-	-
Equity dividend to SRHPL*	1,596.63	1,729.69	-	-	-	-	1,596.63	1,729.69
Equity dividend to SCL	1,382.75	-					1,382.75	-
Equity dividend to TPGI	536.88	-	-	-	-	-	536.88	-

Notes forming part of the Financial Statements for the year ended March 31, 2014

Particulars	Enterprises having significant influence over the Company		Subsidiaries		Key Managerial Personnel		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Investments in Equity shares in SHFL	-	-	9,544.00	5,520.00	-	-	9,544.00	5,520.00
Payment of Salary and Reimbursement of rent and other expenses to R Duruvasan, Managing Director	-	-	-	-	47.28	35.65	47.28	35.65
Receipts								
Commission, sublease and interest income – SHFL	-	-	186.90	10.22	-	-	186.90	10.22
Reimbursement of expenses - SHFL	-	-	4.58	-	-	-	4.58	-
Repayment of Loan –SHFL	-	-	2500.00	-	-	-	2,500.00	-
Conversion warrants into equity/ securities premium – SCL	17,385.00	16,245.00	-	-	-	-	17,385.00	16,245.00
Balance outstanding as at								
Share Capital held by SRHPL	-	2,661.06	-	-	-	-	-	2,661.06
Share Capital held by SCL	2,226.89	515.00	-	-	-	-	2,226.89	515.00
Share Capital held by TPGI	1,342.19	-	-	-	-	-	1,342.19	-
Investment in Shares of SHFL	-	-	16,544.00	7,000.00	-	-	16,544.00	7,000.00
Security deposits with SHFL	-	-	117.38	117.38	-	-	117.38	117.38
Outstanding Expenses SHFL	-	-	17.19	-	-	-	17.19	-
Outstanding Expenses SOT	626.88	888.04	-	-	-	-	626.88	888.04

* SRHPL/ SEHPL stands merged with Shriram City Union Finance Ltd. as on March 31, 2014. (refer note no.3.1)

27. CONTINGENT LIABILITIES AND COMMITMENTS TO THE EXTENT NOT PROVIDED FOR

(I) CONTINGENT LIABILITIES		₹ in lacs	
Income Tax		As at March 31,	
		2014	2013
a. Income Tax		7,570.87	10,743.64
b. Kerala Value Added Tax		4.65	-
c. Guarantees issued by the Company		100.00	250.00
d. Guarantees issued by others		-	-

The Income tax assessment of the company has been completed upto the Assessment Year 2011-12.

The disputed demand outstanding for the assessment Year 2011-12 is ₹2605.75 lacs. For assessment year 2010-11, disputed demand outstanding is ₹672.55 lacs. For assessment year 2008-09, disputed amount on account of penalty proceedings is ₹1106.48 lacs. The assessment has been re-opened for assessment year 2007-08 and the disputed amount outstanding is ₹3186.09 lacs. The company has filed appeal for all these disputed cases and the same is pending before the Commissioner of Income Tax Appeals, Chennai.

The Company has provided NSE with bank guarantee of ₹100 lacs from ING Vysya bank, Mount Road branch, Chennai and a deposit of ₹100 lacs as security deposit both together 1% of total public issue of secured non-convertible debentures of ₹20,000 lacs (refer note 28)

The disputed Kerala Value Added Tax demand on account of sale of seized vehicles for the assessment year 2007-08 is ₹4.65 lacs. The company has filed appeal before the Deputy Commissioner (Appeals), Ernakulam.

(II) COMMITMENTS

(i) As at March 31, 2014, ₹ 36.89 lacs (March 31, 2013 ₹ 118.88 lacs) (net of advances) is the estimated amount of contracts remaining to be executed on capital account.

Notes forming part of the Financial Statements for the year ended March 31, 2014

28. UTILIZATION OF MONEY RAISED THROUGH PUBLIC ISSUE OF DEBENTURE AND PREFERENTIAL ISSUE OF EQUITY SHARES AND WARRANTS

(i) through public issue of debentures [Refer note 5.1 (A)(iii)]

During the year ended March 31, 2014, the company has raised ₹15361.06 lacs through public issue of secured redeemable non-convertible debenture of face value of ₹1000/- each. The proceeds of issue are utilized for the following purpose:

Particulars	₹ in lacs
Investment in Certificate of deposits	497.04
Investment in Mutual Funds	14,864.02
Total	15,361.06

During the year ended March 31, 2013, the company has raised ₹43,360.00 lacs through public issue of secured redeemable non-convertible debenture of face value of ₹1000/- each. The proceeds of issue are utilized for the following purpose:

Particulars	₹ in lacs
Repayment of Loans from Banks (Funding of Cash Credit Account)	39,110.00
Repayment of Commercial Paper	4,250.00
Total	43,360.00

During the year ended March 31, 2012, the company has raised ₹75,000 lacs through public issue of secured redeemable non-convertible debenture of face value of ₹1000/- each. The proceeds of issue are utilized for the following purpose:

Particulars	₹ in lacs
Disbursement of loans	11,409.00
Repayment of loans from banks	39,030.00
Repayment of loans (Term loans, Securitisation loans)	24,561.00
Total	75,000.00

(ii) During the year ended March 31, 2012, the company has raised ₹21,547.00 lacs through preferential issue of equity shares and warrants [Refer note- 3.4(ii) & 3.6]

Particulars	₹ in lacs
Fixed deposit placed with bank	21,500.00
Disbursement of loan	47.00
Total	21,547.00

29. SECURITISATION / DIRECT ASSIGNMENT

The Company sells through securitization and direct assignment

The information on securitization of the company as on originator in respect of securitization transaction done during the year is given below

Particulars	Year ended Mar 31, 2014	Year ended Mar 31, 2013
Total number of transactions under par structure	6	7
Total book value of assets	120,117.00	130,998.04
Sale consideration received	120,117.00	130,998.04

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

S. No.	Particulars	Year ended Mar 31, 2014	Year ended Mar 31, 2013
1	No of SPVs sponsored by the NBFC for securitisation transactions	14	9
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	171,752.07	149,071.41
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a)	Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
b)	On-balance sheet exposures		
	* First loss	20,190.00	10,526.20
	* Others	5,726.37	3,194.69
4	Amount of exposures to securitisation transactions other than MRR		
a)	Off-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* loss	-	-
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-
b)	On-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	2,240.39	2,617.39
	* Others	5,454.67	6,499.83
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-

The information on direct assignment of the company as on originator in respect of par transactions done during the year is given below

₹ in lacs

Particulars	Year ended Mar 31, 2014	Year ended Mar 31, 2013
Total number of transactions under par structure	-	1
Total book value of assets	-	7,405.96
Sale consideration received	-	7,405.96

Notes forming part of the Financial Statements for the year ended March 31, 2014

SECURITIZATION / DIRECT ASSIGNMENT (CONT'D)

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

S.No.	Particulars	Year ended Mar 31, 2014	Year ended Mar 31, 2013
1	No. of transactions assigned by the Company	7	11
2	Total amount of outstanding	21,801.65	88,840.55
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a)	Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
b)	On-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
4	Amount of exposures to assigned transaction other than MRR		
a)	Off-balance sheet exposures		
i)	Exposure to own securitisations		
	* First loss	-	-
	* loss	-	-
ii)	Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-
b)	On-balance sheet exposures		
i)	Exposure to own securitisations		
	* First loss	8,458.48	24,639.85
	* Others	501.01	740.60
ii)	Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-

The information on direct assignment of the company as on originator in respect of premium transactions done during the year is given below

Particulars	Year ended Mar 31, 2014	Year ended Mar 31, 2013
Total number of transactions under premium structure	-	-
Total book value of assets	-	-
Sale consideration received	-	-

SECURITIZATION / DIRECT ASSIGNMENT (CONT'D)

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

s. No.	Particulars	Year ended Mar 31, 2014	Year ended Mar 31, 2013
1	No. of transactions assigned by the Company	1	1
2	Total amount of outstanding	24.42	712.64
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a)	Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
b)	On-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
4	Amount of exposures to assigned transaction other than MRR		
a)	Off-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* loss	-	-
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-
b)	On-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	1,709.00	1,709.00
	* Others	-	-
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-

30. Disclosure of frauds reported during the year Mar 31, 2014 Vide DNBS. PD. CC NO 256 /03.10.042 /2011-12 dated 02 MARCH, 2012

₹ in lacs							
	Less than Rs. 1 lac		Rs. 1 to 25 lacs		Greater than Rs.25 lacs		Total
	Number	Value	Number	Value	Number	Value	Number Value
A) Person involved							
Staff		Nil		Nil		Nil	Nil
Customer		Nil		Nil	2	96.73	2 96.73
Customer & Outsider	1	0.86		Nil		Nil	1 0.86
Staff, Customer & Outsider		Nil	1	2.55		Nil	1 2.55
TOTAL	1		1		2		4 100.14
B) Type of Fraud							
Misappropriation and							
Criminal breach of trust	1	0.86	1	2.55	1	96.73	3 100.14
Fraudulent encashment/manipulation of books of accounts		Nil		Nil		Nil	Nil
Unauthorised credit							
facility extended		Nil		Nil		Nil	Nil
Cheating and Forgery							
TOTAL	1	0.86	1	2.55	1	96.73	3 100.14

Notes forming part of the Financial Statements for the year ended March 31, 2014

31. DERIVATIVE INSTRUMENTS:

The amount of derivative transactions outstanding as on March 31, 2014 is NIL (March 31, 2013 ₹ 486.75 lacs). The company entered into a interest rate swap to convert the floating rate into a fixed rate liability @ 10.49% till maturity date of March 30, 2017 (underlying long term debt of ₹ 25,000 lacs)

32. EXPENDITURE IN FOREIGN CURRENCY (CASH BASIS)

₹ in lacs

	For the year ended March 31,	
	2014	2013
Legal fees	13.81	27.60

33. The company had no discontinuing operations during the year ended March 31, 2014 and during the year ended March 31, 2013.

34. The Company has taken various office premises under operating lease. The lease payments recognized in the statement of profit and loss account are ₹3491.95 (Mar 2013 - ₹2806.63) Certain agreements provide for cancellation by either party and certain agreements contain clauses for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period of 5 to 60 months. There are no restrictions imposed by lease arrangements. The future minimum lease payments in respect of non-cancellable operating leases as at the Balance sheet days are summarized below:

	For the year ended March 31,	
	2014	2013
a. Not later than 1 year	-	-
b. More than 1 year and less than 5 years	43.48	224.74
c. Later than 5 years	165.78	-

35. In addition to payments made to auditors shown in Note-20, the Company has made a payment of ₹ 8.99 lacs to auditors for services rendered by them in connection with the public issue of non-convertible debentures amortised as "public issue expenses for non-convertible debentures" in accordance with the accounting policy stated under Note 2.1.(v)

36. Based on the intimation received by the company, none of the suppliers have confirmed to be registered under "the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Therefore, the related information for this purpose stands to be Nil.

37. The ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

38. Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform with current year presentation.

As per our report even date

For Pijush Gupta & Co.

Firm Registration No: 309015E

Chartered Accountants

Ramendra Nath Das

Partner

Membership no: 014125

Place: Chennai

Date: April 30, 2014

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

R.Duruvasan
Managing Director

G.S.Sundararajan
Managing Director

C R Dash
Company Secretary

ANNEXURE 9

FINANCIAL STATEMENTS (STANDALONE)

As required in terms of Paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

Particulars	₹ in lacs	
Liabilities side :	Amount outstanding	Amount overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debenture : Secured	403,073.27	7,273.53
: Unsecured	-	
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	-	
(c) Term Loans	613,911.64	
(d) Inter-corporate loans and borrowing	-	
(e) Commercial Paper	-	
(f) Public Deposits*	63,178.19	13.37
(g) Other Loans - Subordinate Debts	149,534.27	2,511.29
- Cash Credit (including working capital demand loan)	36,752.55	
Total (1)	1,266,449.93	9,798.19
*Please see Note 1 below		
(2) Break-up of (1)(f) above (Outstanding Public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	63,178.19	13.37
Total (2)	63,178.19	13.37
*Please see Note 1 below		
# Represent amount unclaimed.		
Assets side :		
(3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :	Amount outstanding	
(a) Secured	1,222,722.56	
(b) Unsecured	50,275.56	
Total (3)	1,272,998.12	
(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC 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	2,491.90	
(iii) Other loans counting towards AFC Activities :		
(a) Loans where assets have been repossessed	-	
(b) Loans other than (a) above	-	
Total (4)		2,491.90

ANNEXURE 9

FINANCIAL STATEMENTS (STANDALONE)

(5) Break-up of Investments :

Current Investments :	
1. Quoted :	
(I) Shares : (a) Equity	-
(b) Preference	-
(ii) Debenture and Bonds	-
(iii) Units of mutual funds	7,000.00
(iv) Government Securities	3,910.00
(v) Others (Please specify)	-
1. Certificate of deposits	32,500.00
2. Commercial Paper	2,500.00
2. Unquoted :	
(I) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-
Long Term investments :	-
1. Quoted :	-
(I) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	101.45
(v) Others (Please specify)	-
2. Unquoted :	
(I) Shares: (a) Equity	16,744.00
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-
Total (5)	62,755.45

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

Please see Note 2 below			
Category	Amount (Net of provisions)		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	28,719.44	-	28,719.44
(c) Other related parties	-	-	-
2. Other than related parties	1,169,831.94	48,047.12	1,217,879.06
Total (6)	1,198,551.38	48,047.12	1,246,598.50

ANNEXURE 9

FINANCIAL STATEMENTS (STANDALONE)

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

Please see Note 3 below		
Category	Market Value/break-up or fair value or NAV	Book Value(net of provisions)
1. Related Parties **		
(a) Subsidiaries	16,544.00	16,544.00
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	-	-
Government securities	46,186.04	46,186.04
Provision on government securities	-	-
Units of Mutual Funds	-	-
Certificate of deposits	-	-
Commercial Paper	-	-
Total (7)	62,730.04	62,730.04
* Disclosure is made in respect of available information.		
** As per Accounting Standard of ICAI (Please see Note 3)		

(8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	34,040.24
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	7,640.62
(iii) Assets acquired in satisfaction of debt	-

Notes :

- 1 As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for calculation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

For Shriram City Union Finance Limited

Place: Chennai
Date: April 30, 2014

R.Duruvasan
Managing Director

G.S.Sundararajan
Managing Director

C R Dash
Company Secretary

ANNEXURE 9

FINANCIAL STATEMENTS (STANDALONE)

Summary of financial information of subsidiary company for the year ended March 31, 2014
Under section 212 of the Companies Act 1956.

S. No.	Particulars of subsidiary company	Shriram Housing Finance Limited
1	Financial year ended on	31-Mar-14
2	Capital (₹ in lacs) 21,41,60,000 equity shares of face value of ₹10 each	21,416.00
3	Holding company's interest in the subsidiary company as at March 31, 2014	16,54,40,000 equity shares of ₹10 each (77.25%)
4	Net aggregate amount of profit (loss) of the subsidiary company not dealt with in the holding company's account.	
	(i) For the financial year of the subsidiary company	1426.90
	(ii) For the previous financial year of the subsidiary company	(22.14)
5	Net aggregate amount of profit (loss) of the subsidiary company dealt with in the holding company's account.	
	(i) For the financial year of the subsidiary company	-
	(ii) For the previous financial year of the subsidiary company	-
6	Reserves (₹ in lacs) *	13,139.97
7	Total Assets (₹ in lacs)	35,050.96
8	Total liabilities (₹ in lacs)	35,050.96
9	Turnover (₹ in lacs)	4,172.35
10	Profit before taxation (₹ in lacs)	1,571.36
11	Provision for taxation (₹ in lacs)	144.46
12	Profit after taxation (₹ in lacs)	1,426.90

* Represents debit balance in Profit and loss account

For Shriram City Union Finance Limited

Place: Chennai
Date: April 30, 2013

R.Duruvasan
Managing Director

G.S.Sundararajan
Managing Director

C R Dash
Company Secretary

INDEPENDENT AUDITORS REPORT (CONSOLIDATED)

PIJUSH GUPTA & CO CHARTERED ACCOUNTANTS, P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA –700 010

To the Board of Directors of SHRIRAM CITY UNION FINANCE LIMITED

We have audited the accompanying consolidated financial statements of Shriram City Union Finance Limited (“the Company”) and its subsidiary, which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For Pijush Gupta & Co.

Firm Registration Number: 309015E

Chartered Accountants

Ramendra Nath Das

Partner

Membership Number 014125

Place: Chennai

Date : April 30, 2014

ANNEXURE 11

FINANCIAL STATEMENTS (CONSOLIDATED)

		₹ in lacs	
Consolidated Balance Sheet as at March 31,	Notes	2014	2013
I. Equity and Liabilities			
1. Shareholders' funds			
(a) Share capital	3	5,928.44	5,541.63
(b) Reserves and surplus	4	294,049.34	219,024.48
(c) Money received against share warrants			4,361.50
		299,977.78	228,927.61
2. Non-current liabilities			
(a) Long-term borrowings	5	893,035.28	827,591.75
(b) Other long-term liabilities	6	37,352.20	40,171.57
(c) Long-term provisions	7	5,914.26	3,941.57
		936,301.74	871,704.89
3. Current liabilities			
(a) Short-term borrowings	8	38,355.37	160,228.56
(b) Other current liabilities	6	342,487.02	354,314.46
(c) Short-term provisions	7	31,836.69	26,401.67
		412,679.08	540,944.69
4.Minority Interest		7,861.34	3,407.93
Total		1,656,819.94	1,644,985.12
II. ASSETS			
1. Non-current assets			
(a) Fixed assets:			
(i) Tangible assets	9	9,234.23	8,809.97
(ii) Intangible assets	9	1,061.32	200.20
(b) Non-current investments	10	1,295.64	301.45
(c) Deferred tax assets	11	1,881.14	1,895.99
(d) Long-term loans and advances	12	453,411.67	348,076.45
(e) Other non-current assets	13	12,821.69	25,828.25
		479,705.69	385,112.31
2. Current assets			
(a) Current Investments	14	46,110.75	2,119.32
(b) Cash and bank balances	15	248,516.54	218,182.07
(c) Short-term loans and advances	12	863,967.15	1,015,872.57
(d) Other current assets	13	18,519.81	23,698.85
		1,177,114.25	1,259,872.81
Total		1,656,819.94	1,644,985.12

Summary of significant accounting policies

2.1

Other notes to accounts

23 to 38

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

As per our report even date

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

For Pijush Gupta & Co.

Firm Registration No: 309015E
Chartered Accountants

R.Duruvasan
Managing Director

G.S.Sundararajan
Managing Director

Ramendra Nath Das

Partner

Membership no: 014125

Place: Chennai

Date: April 30, 2014

C R Dash
Company Secretary

			₹ in lacs
Consolidated Statement of Profit and Loss for the year ended March 31,	Notes	2014	2013
Revenue from operations	16	320,914.57	308,120.06
Other income	17	6,957.09	1,873.12
Total Revenue		327,871.66	309,993.18
Expenses			
Employee benefits expense	18	28,032.93	23,019.17
Finance costs	19	135,070.54	141,047.51
Depreciation and amortization expense	9	3,022.27	2,493.83
Other expenses	20	43,626.57	38,371.00
Provisions & write offs (net)	21	38,561.63	38,487.41
Total expenses		248,313.94	243,418.92
Profit before tax		79,557.72	66,574.26
Tax expense:			
- Current tax		23,274.17	22,172.06
- Deferred tax		(52.20)	(537.16)
- MAT Credit Element		(27.92)	
- Tax of earlier years		2,822.45	
Total tax expense		26,016.50	21,634.90
Profit after tax from continuing operations		53,541.22	44,939.36
Less: Minority interest		324.62	(5.20)
		53,216.60	44,944.56
Earnings per equity share	22		
Equity shares of par value ₹10/- each			
Basic (₹)		91.66	85.58
Diluted (₹)		91.43	82.97

Summary of significant accounting policies

2.1

Other notes to accounts

23 to 38

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

As per our report even date

For and on behalf of the Board of Directors of

Shriram City Union Finance Limited

For Pijush Gupta & Co.

Firm Registration No: 309015E

Chartered Accountants

R.Duruvasan
Managing Director

G.S.Sundararajan
Managing Director

Ramendra Nath Das

Partner

Membership no: 014125

C R Dash
Company Secretary

Place: Chennai

Date: April 30, 2014

₹ in lacs

Consolidated Cash flow statement for the year ended March 31,	2014	2013
Cash flow from Operating activities		
Net profit before taxation	79,557.72	66,574.26
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	3,022.27	2,493.83
Loss on sale of fixed assets	27.90	8.92
Employees stock option compensation expenses	-	-
Public issue expenditure for non-convertible debentures	575.41	378.11
Provision for non performing assets and bad debts written off	38,663.88	37,775.41
Contingent provision on standard assets	(107.96)	671.30
Provision for hedging contracts	(486.75)	-
Provision for diminution in the value of investments	5.71	1.77
Other Income written back	(470.18)	-
Provision for gratuity	(45.31)	804.68
Provision for leave benefits	278.89	42.95
Provision for lease rental	17.33	19.14
Provision for Bonus and ex-gratia	5.95	9.53
Net gain on sale of current investments	(4,115.77)	(719.47)
Interest income on current and long term investments and interest income on fixed deposits	(1,640.70)	(723.22)
Interest received Others	(0.10)	-
Profit on sale of assets	(0.01)	-
Profit on sale of Investments	(40.93)	(61.95)
Misc Income	(8.49)	-
Dividend Income	(542.06)	(334.49)
Operating profit before working capital changes	114,696.80	106,940.77
Movement in Working capital:		
(Increase) / decrease in assets under financing activities	40,321.09	(295,290.38)
(Increase) / decrease in Short-term loans and advances	(5,634.24)	(2,696.10)
(Increase) / decrease in Long-term loans and advances	(18,987.18)	(14,242.93)
(Increase) / decrease in other current assets	5,531.39	8,622.61
(Increase) / decrease in other non-current assets	5,862.12	4,999.35
Increase / (decrease) in other current liabilities	(11,357.26)	71,670.52
Increase / (decrease) in other non-current liabilities	(2,819.37)	(4,537.43)
Cash generated from operations	127,613.35	(124,533.59)
Direct taxes paid (net of refund)	(26,373.04)	(22,380.80)
Net Cash flow from/(used in) operating activities (A)	101,204.31	(146,914.39)
Cash flow from investing activities		
Investment in fixed deposits (having maturity of more than three months)	(89,762.50)	(237.50)
Investment in margin money deposits	7,670.56	(13,168.81)
Purchase of fixed and intangible assets	(3,429.00)	(6,199.98)
Proceeds from sale of fixed assets	23.48	12.41
Purchase of investments	(87,332.19)	(31,081.00)
Investment in subsidiary company	-	7,000.00
Proceeds from sale of investments (net)	46,823.25	24,549.41
Interest received on current and long term investments and interest on fixed deposits	1,640.70	723.22
Interest received others	0.10	-
Misc income	8.49	-
Dividend received	222.08	8.18

	₹ in lacs	
Consolidated Cash flow statement for the year ended March 31,	2014	2013
Net cash flow from/(used in) investing activities (B)	(124,135.03)	(18,394.07)
Cash flow from financing activities		
Proceeds from issue of equity share capital including securities premium and share application money	22,563.47	18,284.19
Increase / (decrease) of long-term borrowings	65,443.53	196,190.77
Increase / (decrease) of short-term borrowings	(121,873.19)	36,447.53
Public issue expenses for non-convertible debentures paid	(1,468.32)	(704.71)
Dividend Paid	(5,880.22)	(3,410.44)
Tax on dividend	(999.34)	(553.26)
Cash and bank balance received on account of merger with SRHPL	5,666.33	-
Net Cash flow from/(used in) financing activities (C)	(36,547.74)	246,254.08
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(59,442.47)	80,945.62
Cash and cash equivalents at the beginning of the year	176,899.48	95,953.86
Cash and cash equivalents at the end of the year	117,457.01	176,899.48

Component of cash and cash equivalents	For the year ended March 31,	
	2014	2013
Cash on hand	6,234.82	6,127.68
Balances with banks:		-
Current accounts	22,788.84	37,143.38
Balance in unpaid dividend accounts	-	38.42
Bank deposits with maturity of less than 3 months	88,433.35	133,590.00
Total Cash and cash equivalents	117,457.01	176,899.48

Summary of significant accounting policies	2.1
Other notes to accounts	23 to 38
The notes referred to above form an integral part of the financial statements.	

As per our report even date

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

Ramendra Nath Das
Partner
Membership no: 014125
Place: Chennai
Date: April 30, 2014

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

R.Duruvasan
Managing Director

G.S.Sundararajan
Managing Director

C R Dash
Company Secretary

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

1. Basis of preparation

The consolidated financial statements related to Shriram City Union Finance Limited ('the Company') and its subsidiary company. The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under Companies Accounting Standard Rules, 2006, as amended, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC') and the guidelines issued by National Housing Bank (NHB). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year, except for the change in accounting policy explained below.

2. Basis of consolidation

(i) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company i.e. period ended March 31, 2014 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Group have been prepared in accordance with the Accounting Standard 21- 'Consolidated Financial Statements' and Accounting Standard 23 - 'Accounting for investments in Associates in Consolidated Financial Statements, notified under the Companies (Accounting Standards) Rules, 2006, as amended and other generally accepted accounting principles in India.

(iii) The consolidated financial statements have been prepared on the following basis :

a. The financial statements of the company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated.

b. The consolidated financial statements include the share of profit / loss of the associate company which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

c. The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

d. Minority interest, if any, in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(iv) The following subsidiary company is considered in the consolidated financial statements:

Name of the company	Country of incorporation	Share of ownership interest as at March,31	
		2014	2013
Shriram Housing Finance Limited	India	77.25%	76.50%

2.1 Summary of significant accounting policies

a. Change in accounting policy

Presentation and disclosure of financial statements

During 2011-12, the revised Schedule VI notified under the Companies Act 1956, became applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements

b. Current / Non-current classification of assets / liabilities

Pursuant to applicability of Revised Schedule VI on presentation of financial statements for 2011-12; the Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as noncurrent.

c. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the date of the financial statements and results of operations during the reporting year end. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates are recognised in current and future years.

d. Tangible fixed assets

Fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price and directly attributable cost for bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenditure is incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

e. Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

f. Depreciation on tangible fixed assets

Depreciation on fixed assets is provided on Straight Line Method (SLM) by using the rates arrived at based on the useful lives estimated by the management, which are greater than or equal to the rates prescribed under the Schedule XIV to the Companies Act, 1956.

Leasehold improvements are amortised on SLM over the primary period of lease subject to a maximum of 60 months. All fixed assets individually costing Rs 5,000 or less are fully depreciated in the year of installation. Depreciation on assets acquired /sold during the year is recognised on a pro-rata basis in the Statement of Profit and Loss till the date of sale or from the date of acquisition.

g. Depreciation on intangible assets

Amortisation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the intangible asset. The company has used the following rate to, provide depreciation on the intangible assets.

Rates (SLM)

Computer software	33.33%
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Amortisation on assets acquired/sold during the year is recognised on pro-rata basis in the Statement of Profit and Loss till the date of sale or from the date of acquisition.

h. Impairment of assets

The company assesses at each balance sheet date if there is an indication of impairment of any asset. If any indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is greater of net selling price and value in use of the asset. Where the carrying amount of an asset is more than its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.. The value in use is the estimated future cash flows discounted to their present value at pre-tax discount rate which reflects current market assessment of the time value of money and risk specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each Balance Sheet date about existence or decrease of previously recognised impairment losses. If such indication exists, the company estimates the asset's recoverable amount. A previously recognised impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

i. Capital advances

Capital advances are advances given for procurement of fixed assets. Company does not expect to realise them in cash and over a period of time these advances get converted into fixed assets which are non-current by nature. Therefore irrespective of when the fixed assets are expected to be received such advances are disclosed under "long-term loans and advances".

j. Borrowing costs

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to till the date of sale or from the date of acquisition in the year in which they are incurred.

k. Investments

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

l. Provision/write off of assets

Nonperforming loans are written off / provided for, as per estimates of management, subject to the minimum provision required as per Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Provision on standard assets is made as required under Reserve Bank of India (RBI) notification No. DNBS.222/CGM (US-2011) dated January 17, 2011. and NHB notification No. NHB.HFC.DIR.3/CMD/2011.

m. Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the date of balance sheet and loans securitised.

n. Leases

Where the Company is the lessor

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

o. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The revenue recognition are as under:

(i) Income from financing activities is recognised on the basis of internal rate of return.

(ii) Additional finance charges / additional interest are treated to accrue on realisation due to uncertainty of its realisation.

(iii) Income apportioned on securitisation/direct assignment of loan receivables arising under premium structure is recognised over the tenure of securities issued by SPV/agreements. Interest spread under par structure of securitisation/direct assignment of loan receivables is recognised on realization over the tenure of the 'securities issued by SPV' / agreements. Loss/expenditure, if any, in respect of securitisation /direct assignment is recognised upfront.

(iv) The prudential norms for income recognition prescribed under Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 and National Housing finance Companies (NHB) Directions, 2010 are followed.

(v) Income from services is recognised as per the terms of the contract on accrual basis.

(vi) Interest Income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vii) Dividend is recognised as income when right to receive payment is established by the date of balance sheet.

(viii) Profit/loss on sale of investments is recognised at the time of actual sale / redemption.

(ix) Loan Processing fees are taken as income upfront.

p. Foreign currency translation

Foreign currency transactions and balances

Initial recognition: Foreign currency transactions are recorded in Indian rupee, by applying to the foreign currency amount the exchange rate between the Indian rupee and the foreign currency at the date of the transaction.

Conversion: Foreign currency monetary items are retranslated to Indian rupees by using the exchange rate prevailing at the Balance Sheet date.

Exchange differences : All exchange differences are dealt with in the Statement of Profit and Loss.

q. Income taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

r. Segment reporting

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole. The segments are identified based on the nature of product & market served. The income /expenses which are not allocated to any reportable segments are reported as un allocable segment.

s. Employee stock compensation cost

The measurement and disclosure of the employee share based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India (ICAI). The company measures cost relating to employees stock option by intrinsic value method. Compensation expenses is amortised on straight line method over the period of vesting of options.

t. Retirement and other employee benefits

Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

Gratuity

The Company provides for 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 year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Actuarial gain / losses are immediately taken to Statement of Profit and Loss and are not deferred.

Leave Benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

u. Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v. Expenses on deposits / debentures

Expenses for private placement of debentures/subordinated debts/deposits are charged to Statement of Profit and Loss in the year in which they are incurred.

Expenses incurred on public issue of debentures other than brokerage are charged off on straight line basis over the weighted average tenor of the underlying debentures. The brokerage incurred on issue of debenture is treated as expenditure in the year in which it is incurred.

w. Provisions

A provision is recognised when the company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

x. Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments. Cash equivalents are short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash-in-hand, cash at bank, cheque in hand, remittances in transit and short term investments with an original maturity period of three months or less.

y. Derivative instruments

In accordance with the ICAI guidelines and on principle of prudence, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. However net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

z. 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, which are beyond the control of the company. A contingent liability also includes a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where; a liability cannot be measured reliably. The company does not recognise a contingent liability in the accounts but discloses its existence in the financial statements.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

3. SHARE CAPITAL		₹ in lacs
Particulars	As at March 31,	
	2014	2013
Authorised		
10,65,00,000 (March 31, 2013: 10,00,00,000) equity shares of ₹10/- each	10,650.00	10,000.00
12,00,000 equity shares of ₹100 each	1,200.00	-
40,00,000 (March 31, 2013: 40,00,000) cumulative redeemable preference shares of ₹100/- each	4,000.00	4,000.00
	15,850.00	14,000.00
Issued, Subscribed and Fully Paid-up		
Equity Shares		
5,92,84,432 (March 31, 2013: 5,54,16,340) shares of ₹10/- each	5,928.44	5,541.63
Total Issued, Subscribed and fully Paid-up share capital	5,928.44	5,541.63

3.1 RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Equity shares				
Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹ in lacs	Number	₹ in lacs
At the beginning of the year	55,416,340	5,541.63	52,367,209	5,236.72
Issued during the year - ESOP [Refer note-24]	37,050	3.71	199,131	19.91
Issued pursuant to merger	781,042	78.10	-	-
Conversion of warrants [Refer note- 3.4]	3,050,000	305.00	2,850,000	285.00
Outstanding at the end of the year	59,284,432	5,928.44	55,416,340	5,541.63

On October 31, 2012 the Board of directors of the Company have approved the merger of SRHPL with the Company.

In terms of the composite Scheme of Arrangement ("Scheme") among Shriram Retail Holdings Private Limited ("SRHPL"), Shriram Enterprise Holdings Private Limited ("SEHPL") and Shriram City Union Finance Limited ("SCUF") , under section 391 to 394 read with Section 100-104 of the Companies Act, 1956 was approved by the Hon'ble High Court of Madras on June 24, 2013. The Scheme came into effect on August 16, 2013 with filing of Form 21 with Registrar of Companies, Chennai on the same date.

Prior to the merger, SRHPL held 26,610,571 shares of the Company

The swap ratio was revised from 413:69 to 418:69 (418 equity shares of ₹10 each of The Company against 69 equity shares of ₹10 each of Consolidated SRHPL) due to increase in cash and cash equivalent of Consolidated SRHPL as per provision of clause 14.3 of the Scheme, with the signing of revised swap ratio letter by the Company with Consolidated SRHPL on August 15, 2013.

Accordingly, on August 19, 2013, 2,73,91,613 equity shares of ₹10 each fully paid of the Company were allotted to the shareholders of Consolidated SRHPL, which resulted in increase in paid up share capital of the Company by 7,81,042 equity shares of ₹ 10 each.

The National Stock Exchange of India Limited, BSE Limited and Madras Stock Exchange Limited approved the listing of these shares on September 10, 2013, October 17, 2013 and September 25, 2013 respectively.

The amalgamation has been accounted for under the purchase method as prescribed by Accounting Standard - 14 Accounting for amalgamation, notified under Companies (Accounting Standards)Rules 2006 (as amended).

All the Assets (other than shares of the company held by SRHPL) and Liabilities of SRHPL have been vested in the Company with effect from August 16, 2013.

In accordance with the said scheme, excess of the net asset value taken over by the Company, vis-à-vis, additional equity shares issued has been transferred to Capital Reserves.

Details of net assets taken over and transfer to Capital Reserves is as under:		₹ in lacs
Particulars		Amount in INR
Total value of assets acquired by the Company		6,617.12
Less: Total value of liabilities acquired by the Company		67.13
Fair Value of Net Assets taken over		6,549.99
Less: Additional issue of equity shares 781042 shares @ ₹ 10 each		(78.10)
Amount taken to Capital Reserve on Merger		6,471.88

3.2 Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of the equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

For the period ended March 31, 2014, the amount of dividend per equity share recognised as distributions to equity shareholders is ₹ 10.00 (March 31, 2013 : ₹8.50 including interim dividend) including interim dividend.

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

3.3 Details of shareholders holding more than 5% shares in the company

Name of the shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity share of ₹10 each fully paid				
Shriram Retail Holding Pvt. Ltd.*	-	-	26,610,571	48.02
Shriram Capital Ltd.	22,268,877	37.56	5,150,000	9.29
Norwest Venture Partners X FII-Mauritius	3,823,502	6.45	4,217,511	7.61
TPG India Investment INC	13,421,889	22.64	-	

* SRHPL/ SEHPL stands merged with Shriram City Union Finance Ltd. as on March 31, 2014. (refer note no.3.1)

As per records of the company, including the register of shareholders /members and other declarations received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3.4 Shares reserved for issue under option:

(i) For details of share reserved for issue under the employees stock option scheme (ESOP) [Refer note 24]

(ii) Preferential issue of share warrants:

During the financial year 2012-13, 28,50,000 warrants have been converted to equity shares, out of the total 59,00,000 warrants issued in financial year 2011-12 at the exercise price of ₹570 each

During the financial year 2013-14, 30,50,000 warrants have been converted to equity shares.

3.5 The company issued 13,55,000 equity shares (March 31, 2013: 13,55,000) during the period of five years immediately preceding the reporting date on exercise of options granted under ESOP, wherein a part of the consideration was received in form of employee service.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

4. RESERVES & SURPLUS		₹ in lacs	
Particulars	As at March 31,		
	2014	2013	
Capital reserves	1,400.00	1,400.00	
Add: Transfer from Profits on account of reverse merger with Shriram Retail Holdings Pvt. Ltd.	6,471.88	-	
	7,871.88	1,400.00	
Capital redemption reserve	2,328.98	2,328.98	
Securities premium			
Opening balance	85,583.24	65,010.65	
Add : Securities premium credited during the year	22,470.34	20,572.59	
Closing balance	108,053.57	85,583.24	
Debenture redemption reserve			
Opening balance	8,290.40	4,914.00	
Add: Transfer from Profits	7,704.80	5,833.40	
Less: write back to Statement of Profit and Loss FY 2011-12		2,457.00	
Closing balance	15,995.20	8,290.40	
Stock options outstanding			
Employee stock option outstanding	343.32	427.22	
Less: Transfer to deferred employee compensation outstanding			
Closing balance	343.32	427.22	
Statutory reserve (in pursuant to section 45-IC of the RBI act, 1934 and section 29C of the NHB Act, 1987)			
Opening balance	31,815.00	22,820.00	
Add: Transfer from Profits	10,660.46	8,995.00	
Closing balance	42,475.46	31,815.00	
General reserve			
Opening balance	15,695.40	11,197.90	
Add: Transfer from Profits	5,220.00	4,497.50	
Closing balance	20,915.40	15,695.40	
Surplus in the Statement of Profit and Loss			
Opening balance	73,484.25	50,827.85	
Add: net profit for the year	53,216.60	44,944.56	
Adj -change in minority interest	101.03		
Less: Appropriations			
- Interim dividends	(2,555.24)	(1,315.75)	
- Tax on interim dividend	(434.26)	(213.45)	
- Proposed final equity dividend	(3,557.07)	(3,324.98)	
- Tax on proposed equity dividend	(604.52)	(565.08)	
- Transfer to statutory reserve (in pursuant to section 45-IC of the RBI act, 1934)	(10,660.46)	(8,995.00)	
- Transfer to general reserve	(5,220.00)	(4,497.50)	
- Transfer to debenture redemption reserve	(7,704.80)	(3,376.40)	
Net surplus in the Statement of Profit and Loss	96,065.53	73,484.25	
Total	294,049.34	219,024.49	

5. LONG-TERM BORROWINGS		₹ in lacs		
Particulars	Non-current portion		Current maturities	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Secured				
Privately placed redeemable non-convertible debentures (Re-tail) [refer note 5.1 A (i)]	98,597.82	151,182.95	88,601.44	86,748.59
Privately placed non-convertible debentures (Institutional) [refer note 5.1 A(ii) (a&b)]	36,650.00	45,950.00	11,400.00	24,426.67
Public issue of redeemable non-convertible debentures [refer note 5.1 A (iii) (a&b)]:				
Issued in 2013	15,361.06	-	-	-
Issued in 2012	43,360.14	43,360.14	-	-
Issued in 2011	61,208.00	75,000.00	13,792.00	-
Term loan from banks [refer note 5.1 B (i)]	447,663.10	385,500.00	124,082.72	149,356.88
Term loan from financial institutions [refer note 5.1 B (ii)]	34,500.00	39,500.00	5,000.00	11,000.00
Total Secured Long-term borrowing	737,340.12	740,493.09	242,876.16	271,532.14
Unsecured				
Fixed deposits [refer note 5.2 A]	42,635.90	6.42	19,195.30	26.81
Subordinated debts [refer note 5.2 B]	113,059.26	87,092.24	11,451.11	13,490.97
Total Unsecured Long-term borrowing	155,695.16	87,098.66	30,646.41	13,517.78
Amount disclosed under the head “other current liabilities” [Refer note-6]	-	-	(273,522.57)	(285,049.92)
Total	893,035.28	827,591.75	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

5.1 SECURED LOANS - LONG TERM BORROWINGS

A. SECURED REDEEMABLE NON CONVERTIBLE DEBENTURE

(i) PRIVATELY PLACED SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES OF (NCDS) ₹1000/- EACH - UN-QUOTED (RETAIL)

Terms of repayment as at March 31, 2014					₹ in lacs
Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	-	-	-	-	-
48-60 months	4.80	514.03	-	-	518.83
36-48 months	8.85	2,175.71	321.36	-	2,505.92
24-36 months	202.73	27,361.45	241.48	1.12	27,806.78
12-24 months	3,329.91	64,144.10	-	292.28	67,766.29
Total non-current portion	3,546.29	94,195.29	562.84	293.40	98,597.82
12 months	17,838.96	70,644.02	3.10	115.36	88,601.44
Total current maturities	17,838.96	70,644.02	3.10	115.36	88,601.44
Grand Total	21,385.25	164,839.31	565.94	408.76	187,199.26

Terms of repayment as at March 31, 2013					₹ in lacs
Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	-	-	-	-	-
48-60 months	8.12	1,561.35	321.36	-	1,890.83
36-48 months	20.86	2,597.88	241.48	1.12	2,861.34
24-36 months	1,501.01	63,809.17	-	292.28	65,602.46
12-24 months	9,633.32	71,076.54	3.10	115.36	80,828.32
Total non-current portion	11,163.31	139,044.94	565.94	408.76	151,182.95
12 months	57,453.17	28,613.99	571.07	110.36	86,748.59
Total current maturities	57,453.17	28,613.99	571.07	110.36	86,748.59
Grand Total	68,616.48	167,658.93	1,137.01	519.12	237,931.54

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on are secured by a legal mortgage on the specified immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favor of the Trustees appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 60 months from the date of allotment depending on the terms of the agreement.

Secured redeemable non-convertible debentures may be bought back subject to applicable statutory and /or regulatory requirements, upon the terms and conditions as may be decided by the company. The company may grant loan against the security of Secured Non-Convertible Debentures upon the terms and conditions as may be decided by the company and subject to applicable statutory and /or regulatory requirements.

(ii) PRIVATELY PLACED REDEEMABLE NON-CONVERTIBLE DEBENTURE (INSTITUTIONAL)

a. PRIVATELY PLACED REDEEMABLE NON-CONVERTIBLE DEBENTURE (NCDS) OF ₹1,00,000/- EACH - QUOTED

₹ in lacs					
Rate of Interest	Non-current portion		Current maturities		Redeemable at par on
	As at March 31,		As at March 31,		
	2014	2013	2014	2013	
10.75%	-	900.00	900.00	-	07-Oct-14
10.75%	-	2,100.00	2,100.00	-	30-Sep-14
10.75%	-	900.00	900.00	-	07-Apr-14
10.75%	-	-	2,100.00	2,100.00	02-Apr-14
10.75%	-	-	-	600.00	07-Oct-13
10.75%	-	-	-	1,400.00	30-Sep-13
10.75%	-	-	-	600.00	08-Apr-13
Total	-	3,900.00	6,000.00	4,700.00	

b. PRIVATELY PLACED REDEEMABLE NON-CONVERTIBLE DEBENTURE (NCDS) OF ₹10,00,000/- EACH - QUOTED

₹ in lacs					
Rate of Interest	Non-current portion		Current maturities		Redeemable at par on
	As at March 31,		As at March 31,		
	2014	2013	2014	2013	
10.75%	500.00	500.00	-	-	04-Feb-21
10.60%	2,500.00	2,500.00	-	-	13-Dec-17
10.50%	2,000.00	2,000.00	-	-	23-Nov-17
10.75%	1,000.00	1,000.00	-	-	26-Jul-17
10.75%	2,150.00	2,150.00	-	-	12-Jul-17
10.49%	27,500.00	27,500.00	-	-	30-Mar-17
10.65%	1,000.00	1,000.00	-	-	23-May-15
10.65%	-	1,000.00	1,000.00	-	03-Feb-15
11.00%	-	1,500.00	1,500.00	-	01-Dec-14
10.61%	-	2,900.00	2,900.00	-	02-Jun-14
10.60%	-	-	-	680.00	17-Feb-14
10.30%	-	-	-	1,000.00	20-Jan-14
10.60%	-	-	-	500.00	09-Aug-13
10.50%	-	-	-	2,500.00	19-Jul-13
10.50%	-	-	-	5,000.00	12-Jul-13
10.96%	-	-	-	2,500.00	23-May-13
7.82%	-	-	-	2,916.67	22-Apr-13
10.95%	-	-	-	1,800.00	25-Oct-13
10.85%	-	-	-	1,100.00	18-Apr-13
10.96%	-	-	-	1,730.00	03-Apr-13
Total	36,650.00	42,050.00	5,400.00	19,726.67	

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest there on are secured by a legal mortgage on the specified immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favor of the Trustees appointed.

Secured redeemable non-convertible debenture may be bought back subject to applicable statutory and /or regulatory requirements, upon the terms and conditions as may be decided by the company.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

(iii) PUBLIC ISSUE OF SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES (NCDS) OF ₹1000/- EACH - QUOTED

a. Issued in 2011

Non-current Portion				₹ in lacs	
Option Detail	Rate of Interest	As at March 31,		Redeemable at par on	Put and call option
		2014	2013		
Option I	11.60%	5,429.05	5,429.05	25-Aug-16	25-Aug-15
	12.10%	43,653.65	43,653.65	25-Aug-16	25-Aug-15
	11.85%	12,125.30	12,125.30	25-Aug-16	25-Aug-15
Option II	11.50%	-	9,570.95	25-Aug-14	-
	11.85%	-	1,346.35	25-Aug-14	-
	11.60%	-	2,874.70	25-Aug-14	-
Total		61,208.00	75,000.00		

a. Issued in 2011

Current maturities				₹ in lacs	
Option Detail	Rate of Interest	As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and call option
Option I	11.60%	-	-	25-Aug-16	25-Aug-15
	12.10%	-	-	25-Aug-16	25-Aug-15
	11.85%	-	-	25-Aug-16	25-Aug-15
Option II	11.50%	9,570.95	-	25-Aug-14	-
	11.85%	1,346.35	-	25-Aug-14	-
	11.60%	2,874.70	-	25-Aug-14	-
Total		13,792.00	-		

Nature of security

The repayment of secured redeemable non convertible debentures of ₹1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favor of the Trustees appointed.

Secured redeemable non-convertible debenture may be bought back subject to applicable statutory and /or regulatory requirements, upon the terms and conditions as may be decided by the company.

b. Issued in 2012

Non-current Portion				₹ in lacs	
Option Detail	Rate of Interest	As at March 31,		Redeemable at par on	
		2014	2013		
Option I	10.60%	29697.71	29,697.71	06-Oct-15	
	10.60%	2546.08	2,546.08	06-Oct-15	
Option II	10.75%	7646.19	7,646.19	06-Oct-17	
	10.75%	3470.16	3,470.16	06-Oct-17	
Total		43,360.14	43,360.14		

Nature of security

The repayment of secured redeemable non convertible debentures of ₹1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favor of the Trustees appointed.

c. Issued in 2013

Non-current portion		₹ in lacs		
Option Detail	Rate of Interest	As at March 31,		Redeemable at
		2014	2013	par on
Series I	10.75%	187.15	-	04-Jan-17
	11.00%	4,197.91	-	04-Jan-17
Series II	10.75%	7.00	-	04-Jan-18
	11.00%	310.18	-	04-Jan-18
Series III	10.75%	3.00	-	04-Jan-19
	11.00%	5,016.34	-	04-Jan-19
Series IV	10.75%	112.50	-	04-Jan-17
	11.00%	2,238.68	-	04-Jan-17
Series V	10.75%	-	-	04-Jan-18
	11.25%	276.13	-	04-Jan-18
Series VI	10.75%	300.50	-	04-Jan-19
	11.50%	2,515.29	-	04-Jan-19
Series VII	11.25%	196.38	-	04-Jan-19
Total		15,361.06	-	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified movable assets such as book debts / loan receivables in favor of the Trustees appointed.

B. TERM LOAN

(i) TERM LOAN FROM BANK

Terms of repayment as at March 31, 2014				₹ in lacs
Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
36-48 months	10.75%	Bullet payment on maturity	15,000.00	-
24-36 months	10.40%to12.00%	1 to 36 installments of bullet & quarterly frequency	241,505.55	5,000.00
12-24 months	10.50%to11.25%	1 to 24 installments of bullet, monthly, quarterly and half yearly frequency	191,157.54	24,083.33
Up to 12 months	10.45%to10.95%	1 to 12 installments of bullet, Quarterly & half yearly frequency	-	94,999.39
			447,663.09	124,082.72

Terms of repayment as at March 31, 2013				₹ in lacs
Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
36-48 months	10.75% to 11.25%	1 to 48 installments of bullet, half yearly and yearly frequency	61,500.00	5,000.00
24-36 months	10.80% to 11.75%	1 to 36 installments of bullet & quarterly frequency	229,000.00	15,625.00
12-24 months	10.70% to 11.00%	1 to 24 installments of bullet, monthly, quarterly and half yearly frequency	95,000.00	5,000.00
Up to 12 months	9.25% to 12.00%	1 to 12 installments of bullet, Quarterly & half yearly frequency	-	123,731.88
			385,500.00	149,356.88

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

(ii) TERM LOAN FROM INSTITUTIONS

Terms of repayment as at March 31, 2014				₹ in lacs
Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	10.75%	1 to 60 installments of yearly frequency	6,500.00	1,500.00
36-48 months	10.75%	1 to 48 installments of yearly frequency	28,000.00	3,500.00
Grand Total			34,500.00	5,000.00

Terms of repayment as at March 31, 2013

				₹ in lacs
Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	11.75%	1 to 60 installments of yearly frequency	39,500.00	4,500.00
Upto 12 months	10.00% to 11.10%	Bullet payment on maturity	-	6,500.00
Grand Total			39,500.00	11,000.00

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

5.2 UNSECURED LOAN - LONG TERM BORROWINGS

A. FIXED DEPOSITS OF ₹1000/- EACH - UNQUOTED

Terms of repayment as at March 31, 2014				₹ in lacs
Redeemable at par within	Rate of interest			
	>=6% <8%	>=8% <10%	>=10% <12%	>=12%
48-60 months	-	-	1,396.94	-
36-48 months	-	-	404.53	-
24-36 months	56.52	268.43	33,411.41	-
12-24 months	21.21	7,053.76	23.09	-
Total non-current portion	77.73	7,322.20	35,235.97	-
12 months	95.39	19,099.91	-	-
Total current maturities	95.39	19,099.91	-	-
Grand Total	173.11	26,422.11	35,235.97	-

Terms of repayment as at March 31, 2013

				₹ in lacs
Redeemable at par within	Rate of interest			
	>=6% <8%	>=8% <10%	>=10% <12%	>=12%
48-60 months	-	-	-	-
36-48 months	-	-	-	-
24-36 months	0.20	-	-	-
12-24 months	3.73	2.49	-	-
Total non-current portion	3.93	2.49	-	-
12 months	26.51	0.30	-	-
Total current maturities	26.51	0.30	-	-
Grand Total	30.44	2.79	-	-

B. PRIVATELY PLACED SUBORDINATED DEBTS

The company has issued subordinated debt bonds with coupon rate of 7% to 15% per annum which are redeemable over a period of 60 months to 88 months.

Terms of repayment as at March 31, 2014

(i) PRIVATELY PLACED SUBORDINATED DEBTS OF ₹1,000/- EACH - UNQUOTED

					₹ in lacs
Particulars	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	-	36,004.76	-	-	36,004.76
48-60 months	9.03	25,502.23	-	-	25,511.26
36-48 months	1,230.54	8,490.89	-	-	9,721.43
24-36 months	56.17	2,443.60	-	-	2,499.77
12-24 months	-	8,731.43	55.61	-	8,787.04
Total non-current portion	1,295.74	81,172.91	55.61	-	82,524.26
12 months	-	3,763.80	7,687.31	-	11,451.11
Total current maturities	-	3,763.80	7,687.31	-	11,451.11
Grand Total	1,295.74	84,936.71	7,742.92	-	93,975.37

(ii) PRIVATELY PLACED SUBORDINATED DEBTS OF ₹1,00,000/- EACH - QUOTED

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
48-60 months	-	20,520.00	-	-	20,520.00
36-48 months	-	2,515.00	-	-	2,515.00
Total non-current portion	-	23,035.00	-	-	23,035.00

(iii) PRIVATELY PLACED SUBORDINATED DEBTS OF ₹10,00,000/- EACH - QUOTED

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	-	7,500.00	-	-	7,500.00
Total non-current portion	-	7,500.00	-	-	7,500.00

Terms of repayment as at March 31, 2013

(i) PRIVATELY PLACED SUBORDINATED DEBTS OF ₹1,000/- EACH - UNQUOTED

Particulars	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	9.03	24,088.86	-	-	24,097.89
48-60 months	1,230.54	8,490.89	-	-	9,721.43
36-48 months	56.17	2,443.60	-	-	2,499.77
24-36 months	-	8,731.43	55.61	-	8,787.04
12-24 months	-	3,763.80	7,687.31	-	11,451.11
Total non-current portion	1,295.74	47,518.58	7,742.92	-	56,557.24
12 months	-	10,574.89	2,916.08	-	13,490.97
Total current maturities	-	10,574.89	2,916.08	-	13,490.97
Grand Total	1,295.74	58,093.47	10,659.00	-	70,048.21

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

Terms of repayment as at March 31, 2013 (CONTD.)

(ii) PRIVATELY PLACED SUBORDINATED DEBTS OF ₹1,00,000/- EACH - QUOTED ₹ in lacs

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	-	23,035.00	-	-	23,035.00
Total non-current portion	-	23,035.00	-	-	23,035.00

(iii) PRIVATELY PLACED SUBORDINATED DEBTS OF ₹10,00,000/- EACH - QUOTED ₹ in lacs

Redeemable at par within	Rate of interest				Total
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14%	
Over 60 months	-	7,500.00	-	-	7,500.00
	-	-	-	-	-
	-	7,500.00	-	-	7,500.00

6. OTHER LIABILITIES

Particulars	₹ in lacs			
	Long-term		Short-term	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Current maturities of long-term borrowings [Refer note: 5]	-	-	273,522.57	285,049.92
Interest accrued but not due on borrowings	26,756.68	26,604.56	24,934.30	21,557.52
Interest received in advance	-	-	862.84	-
Application money on redeemable non convertible debentures	10.40	483.56	-	-
Application money on redeemable subordinate debts	37.14	96.41	-	-
Application money on deposit	49.45	-	-	-
Unclaimed dividends*	-	-	49.53	38.42
Unclaimed matured deposits and interest accrued thereon*	-	-	13.37	8.34
Unclaimed matured debentures and interest accrued thereon*	-	-	7,273.53	4,760.06
Unclaimed matured Subordinate debts and interest accrued thereon*	-	-	2,511.29	1,456.35
Temporary credit balance in bank accounts	-	-	11,941.72	12,350.96
Tax deducted at source	-	-	481.23	595.12
Statutory due pertaining to employees	-	-	210.40	210.39
Service tax - contested #	-	-	1,553.28	1,553.08
Unrealised gain on Securitisation	10,326.51	12,664.11	12,096.90	20,907.71
Retention and other liabilities	172.02	322.93	7,036.06	5,826.59
Total	37,352.20	40,171.57	342,487.02	354,314.46

As regards the recovery of Service tax on lease and hire purchase transactions, the Hon'ble Supreme Court vide its order dated October 26, 2010 has directed the competent authority under the Finance act, 1994 to decide the matter in accordance with the law laid down.

*Accrued interest is up to the date of maturity. Amounts shall be credited to Investor Education & Protection Fund to the extent unclaimed as and when due.

7. PROVISIONS				₹ in lacs
Particulars	Long-term		Short-term	
	2014	2013	2014	2013
Provision for Employee benefits:				
Provision for gratuity	1,003.70	1,049.38	33.77	33.40
Provision for leave benefits	380.07	117.25	21.60	5.53
Provision for Bonus and Ex-gratia	-	-	20.60	14.65
Other provisions:	-	-	-	-
Provision for Non performing assets (NPA)	3,325.41	1,866.02	23,134.90	16,800.94
Contingent provision for standard assets	1,162.10	870.08	2,063.03	2,463.00
Provision for hedging contracts	-	-	-	486.75
Provision for diminution in the value of investments	25.41	19.70	-	-
Provision for income tax [net of advance income tax]	-	-	2,382.31	2,707.34
Proposed dividend	-	-	3,557.07	3,324.98
Corporate dividend tax	-	-	604.52	565.08
Provision for Lease and Rent	17.57	19.14	18.89	-
Total	5,914.26	3,941.57	31,836.69	26,401.67

8. SHORT TERM BORROWINGS			₹ in lacs
Particulars	As at March 31,		
	2014	2013	
Secured			
Term loan from banks	1,600.00	10,500.00	
Term loan from financial institutions	-	5,000.00	
Cash Credit from bank	36,755.37	61,103.56	
Working capital demand loan from bank	-	73,625.00	
	38,355.37	150,228.56	
Unsecured			
Commercial papers	-	10,000.00	
Inter Corporate Deposits	-	-	
	-	10,000.00	
Total	38,355.37	160,228.56	

8.1 TERM LOAN FROM BANKS				₹ in lacs
Rate of interest	Repayment Details	As at March 31, 2014		As at March 31, 2013
9.95%	Bullet payment at the end of 1 year	1,600.00	-	-
10.70%	Bullet payment at the end of 1 year	-	-	10,500.00
Total		1,600.00		10,500.00

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

8.2 TERM LOAN FROM INSTITUTIONS				₹ in lacs
Rate of interest	Repayment Details	As at March 31, 2014		As at March 31, 2013
11.10%	Bullet payment at the end of 1 year	-	-	5,000.00
Total		-	-	5,000.00

Nature of Security :

Term Loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

8.3 CASH CREDIT AND WORKING CAPITAL DEMAND LOANS

Nature of Security : Cash credit and working capital demand loan from banks are secured by way of hypothecation of specific movable assets relating to the loans.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

9. TANGIBLE AND INTANGIBLE FIXED ASSETS
₹ in lacs

Particulars	Tangible assets						Total tangible assets	Intangible assets	Total fixed assets
	Land	Building	Plant and machinery	Furniture and fixtures	Vehicles	Leasehold improvements		Computer software	
Gross Block									
As at April 1, 2012	2.22	12.94	3,389.97	1,945.72	33.24	2,548.03	7,932.12	477.65	8,409.77
Additions	-	-	1,920.40	1,222.05	1.95	2,832.77	5,977.17	222.81	6,199.98
Disposals	-	-	22.45	6.75	12.14	13.84	55.18	-	55.18
As at March 31, 2013	2.22	12.94	5,287.92	3,161.02	23.05	5,366.96	13,854.11	700.46	14,554.57
Additions	0.18	-	932.86	675.96	0.52	1,547.47	3,156.99	1,202.10	4,359.09
Disposals	-	-	44.28	38.54	2.30	-	85.13	-	85.13
As at March 31, 2014	2.40	12.94	6,176.50	3,798.44	21.27	6,914.43	16,925.97	1,902.56	18,828.53
Depreciation									
As at April 1, 2012	-	2.56	1,085.08	458.49	8.71	1,182.53	2,737.37	347.06	3,084.43
Charge for the year	-	0.21	707.80	376.57	2.90	1,253.14	2,340.62	153.20	2,493.82
Disposals	-	-	17.72	2.04	5.10	8.99	33.85	-	33.85
As at March 31, 2013	-	2.77	1,775.16	833.02	6.51	2,426.68	5,044.14	500.26	5,544.40
Charge for the year	-	0.21	742.10	318.48	2.11	1,618.39	2,681.29	340.98	3,022.27
Disposals	-	-	22.19	10.53	0.97	-	33.69	-	33.69
As at March 31, 2014	-	2.98	2,495.07	1,140.97	7.65	4,045.07	7,691.74	841.24	8,532.98
Net Block									
As at March 31, 2013	2.22	10.17	3,512.76	2,328.00	16.54	2,940.28	8,809.97	200.20	9,010.17
As at March 31, 2014	2.40	9.96	3,681.43	2,657.47	13.62	2,869.36	9,234.23	1,061.32	10,295.55

10. NON-CURRENT INVESTMENTS		₹ in lacs
Particulars	As at March 31,	
	2014	2013
Long-term investment		
Other than trade		
A. Unquoted equity instruments		
(i) Investment in other companies (valued at cost)		
16,32,653 (March 31, 2013: 16,32,653) equity shares of ₹10 each fully paid-up in Highmark Credit Information Services Private Ltd.	200.00	200.00
B. Unquoted instruments		
(i) Investment in PTC	994.19	-
Total unquoted non-current investment	1,194.19	200.00
A. Quoted Investment		
(i) Investment in government securities (valued at cost)		
Quoted		
6.13% GOI Loan 2028 of face value ₹100 lacs (Market value as on March 31, 2014: ₹76.04 lacs and March 31, 2013: ₹81.75 lacs)	101.45	101.45
Total quoted non-current investment	101.45	101.45
Total	1,295.64	301.45
Aggregate amount of Quoted Investments (cost of acquisition)	101.45	101.45
Aggregate amount of provision for diminution in value of Investments	25.41	19.70
a. In accordance with the Reserve Bank of India circular no. RBI/2006-07/225 DNBS (PD) C.C No.87/03.02.2004/2006-07 dated January 4,2007, the company has created a floating charge on the statutory liquid assets comprising of investment in government securities being statutory liquid assets to the extent of ₹101.45 Lacs (March 31,2012: ₹ 101.45 Lacs) in favor of trustees representing the public deposit holders of the company.		

11. DEFERRED TAX ASSET (NET)		₹ in lacs
Particulars	As at March 31,	
	2014	2013
Deferred tax liabilities		
Timing difference on account of :		
Fixed assets: Impact of difference between tax depreciation and depreciation and depreciation/amortization charged for the financial reporting	14.13	15.94
Deferred expenses incurred for NCD mobilization	790.52	464.88
Gross deferred tax liabilities (A)	804.65	480.82
Deferred tax asset		
Timing difference on account of :		
Fixed assets: Impact of difference between tax depreciation and depreciation and depreciation/amortization charged for the financial reporting	205.03	65.02
Provision for service tax	527.89	503.90
Contingent provision against standard assets	1,096.22	1,080.70
Provision for Sub Standard assets	20.63	
Provision for leave benefits	46.26	39.79
Provision for gratuity	192.24	169.97
Provision for derivative	-	157.93
Provision for bonus	355.32	223.31
Interest payable	24.55	
Merger Expenses	0.95	
Preliminary expenditure	0.37	0.51
Provision for lease rent	12.39	5.91
Estimated disallowances	203.94	129.77
Gross deferred tax Assets (B)	2,685.79	2,376.81
Deferred tax asset (Net)) (B-A)	1,881.14	1,895.99

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

12. LOANS AND ADVANCES					₹ in lacs
Particulars	Long-term		Short-term		
	As at March 31,		As at March 31,		
	2014	2013	2014	2013	
Unsecured, Considered Good					
Capital advances	53.72	312.01	-	-	
Loans and Advances	-	-	-	-	
Assets under financing activities :	-	-	-	-	
- Secured, considered good *	434,340.95	324,398.74	788,198.19	936,958.82	
- Doubtful	4,147.36	2,782.33	28,069.07	23,734.27	
	-	-	-	-	
- Unsecured, considered good	11,743.09	16,928.93	36,304.02	48,014.88	
- Doubtful	38.58	145.49	2,189.86	2,761.44	
	-	-	-	-	
Advances recoverable in cash or in kind or for value to be received -Unsecured, considered good	-	-	5,810.59	3,456.66	
Investment through PTC	3,087.97	3,508.95	3,395.42	946.50	
Total	453,411.67	348,076.45	863,967.15	1,015,872.57	

* includes value of repossessed stock of ₹ 2491.90 Lacs

Disclosure on loan against gold as on March 31, 2014 Vide RBI notification DNBS.CC.PD.No.266/03.10.01/2011-12 dated March 26, 2012

Particulars	As at Mar 31,	
	2014	2013
Total Assets under Management	1,272,998	1,344,190
Total Loan against gold	245,343	478,671
Percentage of Gold Loan on Total Assets (on book)	19.27%	35.61%

13. OTHER ASSETS					₹ in lacs
Particulars	Non-current		Current		
	2014	2013	2014	2013	
Bank balances non-current portion [Refer note-14]	1,623.00	9,308.00	-	-	
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	1,494.97	954.41	830.77	478.42	
Interest accrued on fixed deposit and other loan and advances	0.40	1,151.85	3,916.44	2,107.42	
TDS receivable	-	-	53.94	44.35	
Securitisation-receivable	7,776.25	12,571.42	13,230.00	20,238.10	
Service tax credit (input) receivable	-	-	94.63	50.48	
Prepaid expenses	-	-	249.15	513.31	
Security Deposit	261.82	294.26	1.50	-	
MAT credit entitlement	-	-	27.92	-	
Fixed deposit with bank under lien	-	-	-	7.00	
Other assets	0.29	0.25	15.46	9.77	
Security deposits	1,664.96	1,548.06	100.00	250.00	
Total	12,821.69	25,828.25	18,519.81	23,698.85	

14. CURRENT INVESTMENTS		₹ in lacs
Particulars	As at March 31,	
	2014	2013
Mutual Funds Units	7,200.75	2,119.32
Treasury Bills	3,910.00	-
Certificate of Deposits	32,500.00	-
Commercial Paper	2,500.00	-
Total	46,110.75	2,119.32

15. CASH AND BANK BALANCES				₹ in lacs
Particulars	Non-current		Current	
	As at March 31,		As at March 31,	
	2014	2013	2014	2013
Cash and cash equivalents :				
Balances with banks:				
- Current accounts	-	-	22,788.84	37143.38
- Balance in unpaid dividend accounts	-	-	-	38.42
- Bank deposits with maturity of less than 3 months	-	-	88,433.35	133,590.00
Cash on hand	-	-	6,234.82	6127.68
Other bank Balances:			-	
Bank deposits with original maturity for more than 12 months	-	-	-	
Bank deposits with original maturity for more than 3 months but less than 12 months	-	-	90,000.00	244.5
Margin money deposits	1,623.00	9,308.00	41,059.53	41,045.09
	1,623.00	9,308.00	248,516.54	218,189.07
Amount disclosed under the head “non-current asset” [Refer note 13]	(1,623.00)	(9,308.00)		(7.00)
Total	-	-	248,516.54	218,182.07

Margin money deposit of ₹ 42,682.53 lacs as at March 31, 2014 (March 31, 2013 ₹50,353.09 lacs) are pledged with banks as margin for securitisation.

16. REVENUE FROM OPERATION		₹ in lacs
Particulars	For the year ended March 31,	
	2014	2013
Income from finance and other charges	290,669.88	266,687.45
Income on Securitisation / assignment	20,125.24	34,588.04
Interest on Investment thru PTC-Securitisation *	1,947.22	7.48
Interest on Margin money on securitisation / assignment	4,376.11	4,001.00
Bad debts recovery	3,796.12	2,836.09
Total	320,914.57	308,120.06

* Includes exempt income (subject to EIS tax u/s 115 TA of the income tax Act) of ₹ 1,700.42 lacs for the year ended March 31, 2014 * March 31, 2013 ₹ Nil.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

17. OTHER INCOME		₹ in lacs
Particulars	For the year ended March 31,	
	2014	2013
Dividend Income	542.06	334.49
Net gain on sale of investments	4,156.70	781.42
Other non-operating income:	-	
Interest on deposit with bank	1,597.80	717.09
Interest on government securities	42.90	6.13
Profit on sale of assets	5.86	2.19
Commission	-	2.15
Miscellaneous income	584.04	29.65
Gain on Interest rate swap	27.73	
Total	6,957.09	1,873.12

18. EMPLOYEE BENEFITS EXPENSES		₹ in lacs
Particulars	For the year ended March 31,	
	2014	2013
Salaries and allowances	25,386.93	20,221.26
Contributions to Provident fund and ESI	1,827.61	1,763.25
Gratuity	89.37	273.57
Expense on Employee Stock Option Scheme	-	
Staff welfare expenses	729.02	761.09
Total	28,032.93	23,019.17

19. FINANCE COSTS		₹ in lacs
Particulars	For the year ended March 31,	
	2014	2013
Interest expense on :		
Debentures	46,551.76	42,906.06
Subordinate debts	15,231.08	12,874.60
Fixed deposits	2,048.31	30.04
Loans from banks	57,117.29	66,633.17
Loans from institutions and others	4,892.15	4,929.03
Commercial Papers	121.59	3,713.53
Borrowing Cost:	-	-
Bank Charges	1,017.36	1,039.02
Processing and other charges	885.61	1,130.50
Brokerage	7,205.39	7,791.56
Total	135,070.54	141,047.51

20. OTHER EXPENSES

₹ in lacs

Particulars	For the year ended March 31,	
	2014	2013
Rent	3,711.71	3,018.09
Power and fuel expenses	850.64	594.41
Repairs & maintenance	1,834.56	1,524.21
Rates, duties & taxes	805.54	614.29
Printing & stationery	1,814.02	2,066.43
Travelling & conveyance	5,367.76	5,025.90
Advertisement	1,284.47	969.94
Business promotion expenses	1,987.67	3,033.57
Commission	3,539.57	6,265.03
Sourcing fees and other charges	2,542.20	2,938.63
Royalty	935.37	911.14
Directors' sitting fees	6.95	5.82
Insurance	572.10	482.34
Communication expenses	2,986.62	2,823.20
Payments to the auditor as auditor (refer note no.33)		
(a) audit fees	26.61	25.97
(b) tax audit fees	6.05	4.87
(c) certification and other services	4.93	4.68
(d) out of pocket	12.68	6.12
Professional charges	11,237.98	5,113.02
Legal & professional fees	1,030.94	944.90
Donations	10.95	11.50
Public issue expenses for non-convertible debentures	575.41	378.11
Loss on sale of assets	33.75	11.11
Loan Processing expenses	172.04	73.13
Miscellaneous expenses	2,276.05	1,524.59
Total	43,626.57	38,371.00

21. PROVISIONS & WRITE OFFS

₹ in lacs

Particulars	For the year ended March 31,	
	2014	2013
Provision for non performing assets	7,732.66	6,086.74
Contingent provision for standard assets	(47.27)	627.09
Bad debts written off	30,870.53	31,753.88
Provision for Diminution of Investments	5.71	19.70
Total	38,561.63	38,487.41

22. EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31,	
	2014	2013
Net profit after tax and share of loss of Associates as per statement of profit and loss (₹ in lacs) (A)	53,216.60	44,944.56
Weighted average number of equity shares for calculating Basic EPS (No. in lacs) (B)	580.60	525.18
Weighted average number of equity shares for calculating Diluted EPS (₹ in lacs) (C)	582.06	541.68
Basic earnings per equity share (in Rupees) (Face value of ₹10/- per share) (A) / (B)	91.66	85.58
Diluted earnings per equity share (in Rupees) (Face value of ₹10/- per share) (A) / (C)	91.43	82.97
Particulars	For the year ended March 31,	
	2014	2013
Weighted average number of equity shares for calculating EPS (No. in lacs)	580.60	525.18
Add : Equity shares arising on conversion of optionally convertible warrants (No. in lacs)	0.00	14.67
Add : Equity shares for no consideration arising on grant of stock options under ESOP (No. in lacs)	1.46	1.83
Weighted average number of equity shares in calculation diluted EPS (No. in lacs)	582.06	541.68

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

23. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. Consequent to the adoption of revised AS 15 'Employee Benefits' issued under Companies Accounting Standard Rules, 2006, as amended, the following disclosures are made as required by the standard:

Statement of Profit and Loss

Net Employee benefit expenses recognised in the employee cost ₹ in lacs

Particulars	Gratuity	
	For the year ended March 31,	
	2014	2013
Current service cost	212.83	46.95
Interest cost on benefit obligation	86.78	23.68
Expected return on plan assets	N.A.	N.A.
Net actuarial (gain) / loss recognised in the year	(210.24)	186.13
Past service cost		-
Net benefit expense	89.37	256.76
Actual return on plan assets	N.A.	N.A.

Balance sheet

Benefit asset/liability ₹ in lacs

Particulars	Gratuity	
	As at March 31,	
	2014	2013
Defined benefit obligation	1,037.47	1,082.78
Fair value of plan assets	N.A.	N.A.
Total	1,037.47	1,082.78
Less: Unrecognised past service cost		
Plan asset / (liability)	(1,037.47)	(1,082.78)

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

Particulars	Gratuity	
	As at March 31,	
	2014	2013
Opening defined benefit obligation	1,082.78	278.10
Interest cost	86.78	23.68
Current service cost	212.83	46.95
Transferred in liabilities	(86.04)	557.94
Benefits paid	(48.64)	(10.02)
Actuarial (gains) / losses on obligation	(210.24)	186.13
Closing defined benefit obligation	1,037.47	1,082.78

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows: ₹ in lacs

Particulars	Gratuity	
	As at March 31,	
	2014	2013
Investments with insurer	NA	NA

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

Particulars	Gratuity	
	As at March 31,	
	2014	2013
Discount Rate	9.31%	8.00%
Increase in compensation cost	5.00%	5.00%
Employee Turnover	2.00%	2.00%

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

Amounts for the Current and previous three years are as follows:

₹ in lacs

Particulars	As at March 31,			
	2014	2013	2012	2011
Defined benefit obligation	1,037.47	1,082.78	278.10	196.34
Plan assets	NA	NA	NA	NA
Surplus / (deficit)	(1037.47)	(1082.78)	(278.10)	(196.34)
Experience adjustments on plan liabilities	(89.71)	(136.10)	(35.18)	(29.63)
Experience adjustments on plan assets	NA	NA	NA	NA

The Company has a leave encashment policy. The leave encashment liability is computed based on actuarial valuation and stands at ₹. 401.67 lacs as on Mar 31, 2014 (Mar 31, 2013 - ₹ 122.78 lacs)

24. EMPLOYEE STOCK OPTION PLAN (SCUF)

The Company provides share-based payment schemes to its Employees. For the period ended March 31, 2014 an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Date of Shareholder's approval	: October 30 2006
Date of grant	: October 19 2007
Date of Board Approval	: October 19 2007
Number of options granted	: 13,55,000
Method of Settlement (Cash/Equity)	: Equity
Graded vesting period:	
After 1 years of grant date	: 10% of options granted
After 2 years of grant date	: 20% of options granted
After 3 years of grant date	: 30% of options granted
After 4 years of grant date	: 40% of options granted
Exercisable period	: 10 years from vesting date
Vesting Conditions	: on achievement of pre-determined targets

The details of Series I have been summarized below:

	As at Mar 31, 2014		As at March 31, 2013	
	Number of Shares	Weighted Average Exercise Price(in ₹)	Number of Shares	Weighted Average Exercise Price(in ₹)
Outstanding at the beginning of the year	188,660	35.00	387,791	35.00
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Less: Exercised during the year	37,050	35.00	199,131	35.00
Less: Expired during the year	-	-	-	-
Outstanding at the end of the period	151,610	35.00	188,660	35.00
Exercisable at the end of the period	-	-	-	-
Weighted average remaining contractual life (in years)	-	6.55	-	7.55
Weighted average fair value of options granted	-	227.42	-	227.42

The details of exercise price for stock options outstanding at the end of the period are:

As at March 31,	Range of exercise prices(in ₹)	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average Exercise Price (in ₹)
2014	35.00	151,610	6.55	35.00
2013	35.00	188,660	7.55	35.00

STOCK OPTIONS GRANTED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

The weighted average fair value of stock options granted was ₹ 227.42. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2006	2007	2008	2009
Exercise Price (₹)	35.00	35.00	35.00	35.00
Expected Volatility (%)	55.36	55.36	55.36	55.36
Historical Volatility	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (₹)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	7.70	7.67	7.66	7.67
Expected dividend rate (%)	0.84	0.84	0.84	0.84

The expected volatility was determined based on historical volatility data equal to the NSE volatility rate of Bank Nifty which is considered as a comparable peer group of the Company. To allow for the effects of early exercise it was assumed that the employees would exercise the options within six months from the date of vesting in view of the exercise price being significantly lower than the market price.

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

	As at As at Mar 31, 2014	As at March 31, 2013
Compensation cost pertaining to equity-settled employee share-based payment plan included above	-	-
Liability for employee stock options outstanding as at end of period	343.32	427.22
Deferred compensation cost	Nil	Nil

Since the company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

In March 2005, the ICAI issued a guidance note on "Accounting for Employees Share Based Payments" applicable to Employee based share plan, the grant date in respect of which falls on or after April 1 2005. The said guidance note requires that the pro-forma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note the impact on the reported net profit and earnings per share would be as follows:

	As at Mar 31, 2014	As at March 31, 2013
Profit as reported (₹ in lacs)	52,114.32	44,961.50
Add: Employee stock compensation under intrinsic value method (₹ in lacs)	-	-
Less: Employee stock compensation under fair value method (₹ in lacs)	-	-
Pro-forma profit (₹ in lacs)	52,114.32	44,961.50
Less Preference Dividend		
Pro-forma Net Profit for Equity Shareholders	52,114.32	44,961.50
Earnings per share		
Basic (₹.)		
- As reported	89.76	85.61
- Pro-forma	89.76	85.61
Diluted (₹.)		
- As reported	89.53	83.00
- Pro-forma	89.53	83.00

25. Employee Stock Option Plans (SHFL)

The Company provides share-based payment schemes to its employees. During the financial year ended 31st March 2014, an Employee Stock Option Plan (ESOP) was introduced by the Company.

The relevant details of the scheme and the grant are as below:

1. Date of Board approval - 25.01.2013
2. Date of Shareholders approval - 28.03.2013
3. Date of grant – 28.08.2013
4. Number of options granted – 3,70,000
5. Method of settlement(cash/equity) - equity
6. Graded vesting period:

After 4 years of Grant date – 50% of options granted

After 5 years of Grant date – 50% of options granted

Exercisable period – 10 years from Vesting Date

Vesting Conditions – on achievement of pre-determined targets

For the purpose of accounting ESOP granted, the Company has decided to value the Options at Intrinsic Value. Intrinsic Value is the amount by which the Market Price of Equity share exceeds the Exercise Price of the Option. Exercise Price per option is ₹10/-. Since the Company is unlisted, there is no Market Price available. As such it has been decided to calculate the Fair Value of Equity Share by appointing a SEBI registered Category I Merchant Banker. As per their Report of September 1, 2013 fair market value is less than exercise price. Based on the above information, the Intrinsic Value per option is Zero. Therefore, the Company has not recognised any expenditure on the ESOP granted in the current period.

During the year there is no allotment of equity shares under this scheme.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

26. RELATED PARTY DISCLOSURE

(i) Other Related Parties

Enterprises having significant influence over the Company

- a. Shriram Enterprises Holding Private Limited (SEHPL)*
- b. Shriram Retail Holdings Private Limited (SRHPL)*
- c. Shriram Capital Limited (SCL)
- d. TPG India Investments I Inc. (TPGI)
- e. Shriram Ownership Trust (SOT)

(ii) Key Managerial Personnel

- a. Mr. R Duruvasan, Managing Director
- b. Mr. G.S.Sundararajan, Managing Director
- c. Mr. Sujan Sinha, Managing Director and CEO (SHFL)

(iii) Relatives of Key Managerial Personnel

- a. Mrs. A. Komaleeswari (spouse of Mr. R.Duruvasan)
- b. Mrs. Nithya Sundararajan (spouse of Mr. G.S.Sundararajan)
- c. Mrs. Sriparna Sinha (spouse of Mr. Sujan Sinha)

Particulars	₹ in Lacs					
	Enterprises having significant influence over the Company		Key Managerial Personnel		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Payments/Expenses						
Royalty to SOT	938.46	914.23	-	-	938.46	914.23
Data Sourcing Fees to SOT	363.17	418.06	-	-	363.17	418.06
Service Charges SOT	2,179.03	2,520.57	-	-	2,179.03	2,520.57
Reimbursement of business promotion expenses, rent and other expenses to SCL	-	48.87	-	-	-	48.87
License Fees to SCL	1,666.86	1,449.44	-	-	1,666.86	1,449.44
Equity dividend to SEHPL*	-	-	-	-	-	-
Equity dividend to SRHPL*	1,596.63	1,729.69	-	-	1,596.63	1,729.69
Equity dividend to SCL	1,382.75	-	-	-	1,382.75	-
Equity dividend to TPGI	536.88	-	-	-	536.88	-
Payment of Salary and Reimbursement of rent and other expenses to Mr. R Duruvasan, Managing Director	-	-	47.28	35.65	47.28	35.65
Payment of Salary and Reimbursement of rent and other expenses to Mr. Sujan Sinha, Managing Director and CEO	-	-	72.72	62.84	72.72	62.84
Receipts						
Conversion warrants into equity/securities premium - SCL	17,385.00	16,245.00	-	-	17,385.00	16,245.00
Balance outstanding as at						
Share Capital held by SRHPL	-	2,661.06	-	-	-	2,661.06
Share Capital held by SCL	2,226.89	515.00	-	-	2,226.89	515.00
Share Capital held by TPGI	1,342.19	-	-	-	1,342.19	-
Outstanding Expenses SOT	626.88	888.04	-	-	626.88	888.04

* SRHPL/ SEHPL stands merged with Shriram City Union Finance Ltd. as on March 31, 2014. (refer note no.3.1)

27. CONTINGENT LIABILITIES AND COMMITMENTS TO THE EXTENT NOT PROVIDED FOR

(I) CONTINGENT LIABILITIES		₹ in lacs
Income Tax	As at March 31,	
	2014	2013
a. Income Tax	7,570.87	10,743.64
b. Kerala Value Added Tax	4.65	-
c. Guarantees issued by the Company	100.00	257.00
d. Guarantees issued by others	-	-

The Income tax assessment of the company has been completed upto the Assessment Year 2011-12.

The disputed demand outstanding for the assessment Year 2011-12 is ₹2605.75 lacs. For assessment year 2010-11, disputed demand outstanding is ₹ 672.55 lacs. For assessment year 2008-09, disputed amount on account of penalty proceedings is Rs.1106.48 lacs. The assessment has been re-opened for assessment year 2007-08 and the disputed amount outstanding is ₹3186.09 lacs. The company has filed appeal for all these disputed cases and the same is pending before the Commissioner of Income Tax Appeals, Chennai.

The company has provided NSE with bank guarantee of ₹100 lacs for ING Vysya Bank, Mount Road branch, Chennai and a deposit of ₹100 lacs as security deposit both together 1% of total public issue of secured non convertible debenture of ₹ 20,000 lacs (refer note 28)

The disputed Kerala Value Added Tax demand on account of sale of seized vehicles for the assessment year 2007-08 is ₹4.65 lacs. The company has filed appeal before the Deputy Commissioner (Appeals), Ernakulam.

(II) COMMITMENTS

(i) As at March 31, 2014, ₹ 36.89 lacs (March 31, 2013 ₹ 121.38 lacs) (net of advances) is the estimated amount of contracts remaining to be executed on capital account.

28. UTILIZATION OF MONEY RAISED THROUGH PUBLIC ISSUE OF DEBENTURE AND PREFERENTIAL ISSUE OF EQUITY SHARES AND WARRANTS

(i) through public issue of debentures [Refer note 5.1 (A)(iii)]

During the year ended March 31, 2014, the company has raised ₹15361.06 lacs through public issue of secured redeemable non convertible debenture of face value of ₹1000/- each. The proceeds of issue are utilized for the following purpose:

Particulars	₹ in lacs
Investment in Certificate of deposits	497.04
Investment in Mutual Funds	14,864.02
Total	15,361.06

During the year ended March 31, 2013, the company has raised ₹43,360.00 lacs through public issue of secured redeemable non convertible debenture of face value of ₹1000/- each. The proceeds of issue are utilized for the following purpose:

Particulars	₹ in lacs
Repayment of Loans from Banks (Funding of Cash Credit Account)	39,110.00
Repayment of Commercial Paper	4,250.00
Total	43,360.00

During the year ended March 31, 2012, the company has raised ₹75,000 lacs through public issue of secured redeemable non convertible debenture of face value of ₹1000/- each. The proceeds of issue are utilized for the following purpose:

Particulars	₹ in lacs
Disbursement of loans	11,409.00
Repayment of loans from banks	39,030.00
Repayment of loans (Term loans, Securitisation loans)	24,561.00
Total	75,000.00

(ii) During the year ended March 31, 2012, the company has raised ₹21,547.00 lacs through preferential issue of equity shares and warrants [Refer note- 3.4(ii) & 3.6]

Particulars	₹ in lacs
Fixed deposit placed with bank	21,500.00
Disbursement of loan	47.00
Total	21,547.00

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

29. SECURITISATION / ASSIGNMENT

Disclosures to be made in Notes to Accounts by NBFCs

SECURITIZATION / DIRECT ASSIGNMENT

The Company sells through securitization and direct assignment

The information on securitization of the company as on originator in respect of securitization transaction done during the year is given below

Particulars	Rs. In lacs	
	Year ended Mar 31, 2014	Year ended Mar 31, 2013
Total number of transactions under par structure	6	7
Total book value of assets	120,117.00	130,998.04
Sale consideration received	120,117.00	130,998.04

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

s. No.	Particulars	Year ended Mar 31, 2014	Year ended Mar 31, 2013
1	No of SPVs sponsored by the NBFC for securitisation transactions	14	9
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	171,752.07	149,071.41
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a)	Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
b)	On-balance sheet exposures		
	* First loss	20,190.00	10,526.20
	* Others	5,726.37	3,194.69
4	Amount of exposures to securitisation transactions other than MRR		
a)	Off-balance sheet exposures		
i)	Exposure to own securitisations		
	* First loss	-	-
	* loss	-	-
ii)	Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-
b)	On-balance sheet exposures		
i)	Exposure to own securitisations		
	* First loss	2,240.39	2,617.39
	* Others	5,454.67	6,499.83
ii)	Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-

The information on direct assignment of the company as on originator in respect of par transactions done during the year is given below

Particulars	Rs. In lacs	
	Year ended Mar 31, 2014	Year ended Mar 31, 2013
Total number of transactions under par structure	-	1
Total book value of assets	-	7,405.96
Sale consideration received	-	7,405.96

SECURITIZATION / DIRECT ASSIGNMENT (CONT'D)

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

s. No.	Particulars	Year ended Mar 31, 2014	Year ended Mar 31, 2013
1	No. of transactions assigned by the Company	7	11
2	Total amount of outstanding	21,801.65	88,840.55
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a)	Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
b)	On-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
4	Amount of exposures to assigned transaction other than MRR		
a)	Off-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	-	-
	* loss	-	-
	ii) Exposure tot hired party securitisations		
	* First loss	-	-
	* Others	-	-
b)	On-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	8,458.48	24,639.85
	* Others	501.01	740.60
	ii) Exposure to third party securitisations		
	* First loss	-	-
	* Others	-	-

The information on direct assignment of the company as on originator in respect of premium transactions done during the year is given below

Particulars	Year ended Mar 31, 2014	Year ended Mar 31, 2013
Total number of transactions under premium structure	-	-
Total book value of assets	-	-
Sale consideration received	-	-

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

s. No.	Particulars	Year ended Mar 31, 2014	Year ended Mar 31, 2013
1	No. of transactions assigned by the Company	1	1
2	Total amount of outstanding	24.42	712.64
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a)	Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
b)	On-balance sheet exposures		
	* First loss	-	-
	* Others	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

4	Amount of exposures to assigned transaction other than MRR			
a)	Off-balance sheet exposures			
	i)Exposure to own securitisations			
	*	First loss	-	-
	*	loss	-	-
	ii)Exposure to third party securitisations			
	*	First loss	-	-
	*	Others	-	-
b)	On-balance sheet exposures			
	i) Exposure to own securitisations			
	*	First loss	1,709.00	1,709.00
	*	Others	-	-
	ii) Exposure to third party securitisations			
	*	First loss	-	-
	*	Others	-	-

30. Disclosure of frauds reported during the year Mar 31, 2014 Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

₹ in lacs

	Less than ₹ 1Lakh		₹1 to 25 lacs		Greater than ₹25 lacs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff		Nil		Nil		Nil		Nil
Customer		Nil		Nil	2	96.73	2	96.73
Customer & Outsider	1	0.86		Nil		Nil	1	0.86
Staff, Customer & Outsider		Nil	1	2.55		Nil	1	2.55
TOTAL	1		1		2		4	100.14
B) Type of Fraud								
Misappropriation and								
Criminal breach of trust	1	0.86	1	2.55	1	96.73	3	100.14
Fraudulent encashment/ manipulation of books of accounts		Nil		Nil		Nil		Nil
Unauthorised credit facility extended		Nil		Nil		Nil		Nil
Cheating and Forgery								
TOTAL	1	0.86	1	2.55	1	96.73	3	100.14

31. DERIVATIVE INSTRUMENTS:

The amount of derivative transactions outstanding as on March 31, 2014 is NIL (March 31, 2013 ₹ 486.75 lacs). The company entered into a interest rate swap to convert the floating rate into a fixed rate liability @ 10.49% till maturity date of March 30, 2017 (underlying long term debt of ₹ 25,000 lacs)

32. EXPENDITURE IN FOREIGN CURRENCY (CASH BASIS)

₹ in lacs

	For the year ended March 31,	
	2014	2013
Legal fees	13.81	27.60
Conference expenses	1.11	nil

33. The company had no discontinuing operations during the year ended March 31, 2014 and during the year ended March 31, 2013.

34. The Company has taken various office premises under operating lease. The lease payments recognized in the statement of profit and loss account are ₹3491.95 (Mar 2013 - ₹2806.63) Certain agreements provide for cancellation by either party and certain agreements contain clauses for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period of 5 to 60 months. There are no restrictions imposed by lease arrangements. The future minimum lease payments in respect of non-cancellable operating leases as at the Balance sheet date are summarized below:

	For the year ended March 31,	
	2014	2013
a. Not later than 1 year	-	-
b. More than 1 year and less than 5 years	43.48	224.74
c. Later than 5 years	165.78	-

35. In addition to payments made to auditors shown in Note-20, the Company has made a payment of ₹ 8.99 lacs to auditors for services rendered by them in connection with the public issue of non-convertible debentures amortised as “public issue expenses for non-convertible debentures” in accordance with the accounting policy stated under Note 2.1.(v)

36. Based on the intimation received by the company, none of the suppliers have confirmed to be registered under “the Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Therefore, the related information for this purpose stands to be Nil.

37. The ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

38. Previous year figures have been regrouped/ rearranged, wherever considered necessary, to conform with current year presentation.

As per our report even date

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

Ramendra Nath Das
Partner
Membership no: 014125

Place: Chennai
Date: April 30, 2014

For and on behalf of the Board of Directors of

Shriram City Union Finance Limited

R.Duruvasan
Managing Director

G.S.Sundararajan
Managing Director

C R Dash
Company Secretary

The Notice of AGM dated June 18, 2014, Explanatory statement thereof, form, Attendance slip, Notice of postal ballot dated June 18, 2014, postage prepaid business reply envelope have been sent by prescribed (Registered post or speed post or courier or, email etc) mode to the members/beneficial owners of the Company as on specified date in hard copies at the addresses registered with the Company or in soft copies to the e-mail ids registered with their respective Depository Participants/Company as required under clause 32 of the listing agreement .Annual Reports have been sent separately by prescribed mode, i.e. ordinary post, email etc .,



SHRIRAM CITY UNION FINANCE LIMITED

www.shriramcity.in